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# THE MODERN WORLD

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# AUSTRALIA

W. K. HANCOCK

Fellow of All Souls College, Oxford ; and Professor of  
Modern History in the University of Adelaide

L o n d o n

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## PREFACE

MY chief difficulty in writing this book has been to combine intellectual detachment with my emotional attachment to Australia. It was no use pretending that I was detached from the country and its people. But in the end I found that I was able to write of the Australians as an Englishman or a Frenchman would write of his countrymen living in a previous century. Sometimes, indeed, this device broke down. For example, when I had to explain how Australia stood in relation to the outside world and the British Commonwealth of Nations, I found myself compelled to write "We" and not "They."

The method of the book is historical, and, had I not been writing for a special series, I should have made some use of footnotes. In some parts of the book I have worked at first hand from sources which might interest students. But the greater part of the book (and especially the part dealing with Political Economy) has been built chiefly on the detailed investigations of other writers. I wish that I could acknowledge all the debts of which I am so conscious. Two of them are so great that I must refer to them here. Professor E. O. G. Shann and Mr. F. Eggleston, with very rare generosity, made available to me works which are not yet published. Professor Shann's book, *Growth of the Australian Economy*, is shortly to be published by the Cambridge University Press. It is a learned and very interesting economic history of Australia, and I have made extensive use of it

in my first chapter. Mr. Eggleston's book on *State Socialism in Victoria* forms the basis of Chapter VII.

Many friends have done me the kindness of criticising my work, or parts of it, at some stage or other of its preparation. I owe a special debt to a small group of friends in Adelaide—Mr. C. A. S. Hawker, Professors A. Campbell and L. G. Melville, and Mr. H. Thomson. In Sydney I have had the criticism of Professor R. C. Mills, Mr. G. V. Portus, and Mr. Basil Burdett; in Perth, that of Professor E. O. G. Shann; in Melbourne, that of Mr. Eggleston, Professor Scott, and Mr. and Mrs. Vance Palmer. In England I have been helped by Mr. D. O. Malcolm and Mr. S. C. Leslie. And there are many others whose suggestions of information or ideas I have greatly appreciated.

Some of these chapters were sketched in the form of articles for the *New Statesman*, and I have to thank the editor of that paper for permitting me to make use of an occasional paragraph. I also wish to thank the Commonwealth Statistician for permitting me to take maps from the official Year Book of the Commonwealth, and the Chancellor and Council of the University of Adelaide for many kindnesses.

W. K. HANCOCK.

March, 1930.

PART I  
FOUNDATIONS

## CHAPTER I

### THE INVASION OF AUSTRALIA

MANY nations adventured for the discovery of Australia, but the British peoples have alone possessed her. For six generations they have swarmed inland from the sea, pressing forward to their economic frontiers, which are the only frontiers Australia knows.

The Government of Pitt chose New South Wales as a prison, commodious, conveniently distant, and, it was hoped, cheap; for prison labour, driven by prison discipline, would surely be able to keep itself. The economic plan of the Government (if indeed there could be a true plan where there was little knowledge and no imagination) aimed merely at a subsistence husbandry. This might have achieved a slow and painful occupation of the coastal districts of eastern Australia; but it would never have created within the third generation an Australia that was free, British, and possibly—as the first Governor of New South Wales dared to prophesy—"the most valuable acquisition Great Britain ever made." That this marvel came to pass was due to the quality of Australian wool, which made the last-found and least-favoured of continents a fair field for the stupendous energies of England's economic imperialism, and which to this day is the corner-stone of Australia's economic and social edifice.

England had once been famous for her wool; but during the Industrial Revolution and the Napoleonic Wars her first need was food. Robert Bakewell had already proved to her graziers that they could make

more profit from the flesh of their flocks than from the fleeces. At the beginning of the nineteenth century, therefore, the English manufacturers bought most of their wool abroad, from the Spaniards and the Germans. Saxon merinos yielded wool of very fine quality which was gradually ousting Spanish wool from the English market ; but their owners had to struggle with the rigours of a severe winter climate. Here was Australia's opportunity, the grand occasion offered to the most wretched of colonies to pay its ransom and win its way to freedom and self-respect. Wool made Australia a solvent nation, and, in the end, a free one. The authentic founder of Australia's independence is John Macarthur. In 1796 he began his experiments in breeding sheep. In 1803 he boasted that Australia contained "tracts of land adapted for pasture so boundless that no assignable limits can be set to the number of fine-woolled sheep which can be raised." Sir Joseph Banks, who was reputed to know almost everything about Australia, discouraged this "mere theoretical speculation." The colonists, no less practical, were content to grow their own corn and meat, and depend for the rest on England's charity. So Macarthur fought his own battle. When in 1822 wool from his sheep was judged equal to the finest Saxon, it became plain to all men that he had won it. From now on English manufacturers depended increasingly upon Australia, and English capital took firm control of her destinies.

From wool came the economic impulse which opened up the Australian continent. The history of Australian exploration is inseparable from the history of the pastoral industry. While Macarthur was experimenting the colonists were already pushing out to find more room for their increasing flocks and herds. Nothing could be

more irritating than to be cramped on the coastal plain of the continent, shut out from a beckoning interior by a long wall of mountains, where every deceitful opening led only to blind unscalable cliffs. But in 1813 three men forced their way up the ridges and over the crest to a westward view. Here at last were Macarthur's lands of "no assignable limits." For the next fifteen years the explorers pushed south and north, with the Great Dividing Range on their eastward side, until they reached the Southern Ocean at Port Philip Bay and forced a way through the northern mountains into what is now Queensland. But always, as they journeyed, their tracks cut across rivers flowing north-west and south-west. They had found ample spaces for their sheep—ampler spaces than their political masters thought good for them—but they were teased by a problem of geography. Where did these rivers find their outlet—in the Southern Ocean, or in the Indian Ocean, or in a great inland sea? In the summer of 1828-29 Captain Charles Sturt, the gentlest and bravest of Australia's explorers, traced the streams which flowed north-west to a greater river which carried their waters south, and which he named the Darling. In the following year he traced the Murrumbidgee to its junction with the Murray, and the Murray to its outlet in Lake Alexandrina, on the South Australian coast. If, as Sturt believed, the Darling added its waters to those of the Murray, then all the known parts of Australia west of the Dividing Range must be drained by one vast river-system. Here was sensational news. It came at a time when English capitalists, great and small, were dazzled at the prospects of Australian wool, and when the Wakefield theorists were pressing their new and original views on "Mr. Mother Country." Great Britain seemed suddenly aware



of Australia, and Australia became dramatically a many-centred continent. By 1836 Brisbane, Perth, Adelaide, and Melbourne were all established. Already, in the far north, the first dismal garrisons were languishing.

For the future, the great exploring expeditions were planned from the several distinct centres upon which the railways of the continent now converge. But the interior was not occupied by a series of organised marches. The explorers were scouts thrown out by the advancing army of pastoralists, who indeed were content most frequently to do their own scouting, to drive their flocks into the unknown and "squat" wherever they found good feed and water.

"The mountains saw them marching by;  
They faced the all-consuming drought,  
They could not rest in settled land,  
Their faces ever westward bent  
Beyond the farthest settlement,  
Responding to the challenge cry,  
Of 'better country farther out.'"

The English Government viewed their disorderly advance with distaste. These waste lands of the Crown were an Imperial patrimony, and it was an intolerable trespass that they should be occupied without leave. The Government desired "systematic colonisation"; its watchword was "concentration," and Wakefield had taught it that by selling land at a sufficient price it could foster the orderly growth of a colonial gentry commanding the services of a steady stream of free immigrant labour. In the very year of Sturt's great river voyage, the Government set to the squatters bounds which they must not pass, neither turn again to cover the earth. It would permit no settlement outside the Nineteen Counties, whose boundary was a rough semicircle, with Sydney as

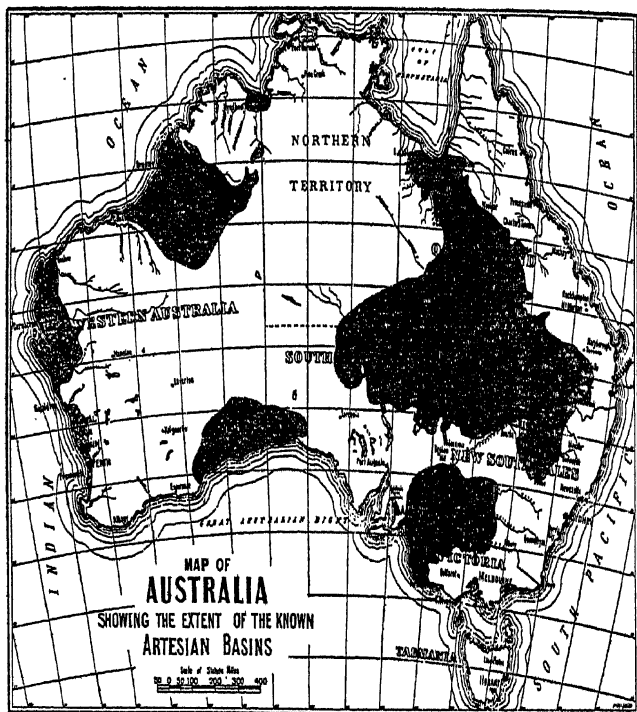
its centre, and a radius of about 150 miles. "It were as unauthorised an act of presumption for an Australian squatter to drive his flocks into the recesses of the untrodden wilderness, without Her Majesty's express sanction first obtained, as for a Berkshire farmer to feed his oxen, without rent or licence, in the Queen's demesne of Hampton Court." This was the indignant fulmination of a Secretary of State! But the colonial Governors knew that such fulminations were futile. "Not all the armies of England," declared one of them, "not 100,000 soldiers scattered throughout the bush—could drive back our herds within the limits of the Nineteen Counties." No power, declared another, could keep Arabs of the desert within a circle drawn on the sands; and no power could tether within fixed bounds the squatters of New South Wales. Yet, supposing that the attempt to confine them should miraculously succeed, what would be the result? "The prosperity of the colony would be at an end." In truth, New South Wales was flourishing on the demand for wool, and England's manufacturers were beginning to flourish on the supply from New South Wales. The costs of orderly concentration at this stage of Australia's history would have lost her the match with her Continental rivals. If all the world had boycotted English woollens and arrayed itself in silks and cottons the Wakefield dream might have become a reality, and Yorkshire might have stagnated with New South Wales. But it did not occur to England's customers to deny themselves quality for the sake of the systematic colonisers, and the grazing lands of Australia continued to be covered by a vast dispersion.

Far away on the fringes of the dispersion adventurous pastoralists skirmished with drought and raided the desert. As early as 1840 explorers had linked together

the new centres of life festooned around Australia's coast ; but they had fallen back hopeless from the forbidding interior. In the fifties, from the north and from the south, they renewed their assaults. The coastal range of Queensland, which faced so abruptly to the eastern ocean, fell away gently to the west in a long decline. Surely the watercourse which cut that endless slope must lead to the long-imagined inland sea ? But the sea might be salt and dry. South Australians had learned to look with distaste upon their Lake Torrens. They imagined it to be a dismal horseshoe barrier barring the way of their northward expansion. But by 1858 explorers, working from the south and from the north, had split this pretentious Lake Torrens into a series of lesser lakes, and the gateway to the interior lay open. The hopes of the pastoralists, the speculations of the geographers, and sheer excitement in the rivalry of a race, crowded the next four years with spectacular achievement and tragedy. By 1862 it had been proved that commercial union was possible between the north of Australia and the south, and within ten years Darwin and Adelaide were linked by the overland telegraph. From this new base the explorers scouted to the east and to the west ; to this new refuge they struggled from the west and from the east ; while all the time pastoralists and gold-seekers pursued their solitary explorations, and perished, and left no record.

The story of these brave assaults upon the interior of Australia is a record of alternating hope and disillusionment. One explorer imagined a ferry service across Lake Torrens, and the next broke through its dry crust and sank into putrid mud ; an optimist christened Mount Hopeful, and a pessimist named Mount Hopeless ; a melancholy pilgrim protested that the mere sight of Lake

Eyre's ugly emptiness created thirst in man and beast, and a prophet made answer: "Our forefathers, Abraham, Isaac, and Jacob, did not condemn a very rich country because water flowed not on its surface—they digged wells." In the eighties well-sinking brought new hope to Australian pastoralists. The problem of the westward-flowing waters had presented itself in a new and startling fashion. Why was it that the River Darling discharged by surface flow only one-sixtieth of the waters which it received? What happened to the generous falls of rain which descended on the western slopes of the Queensland watershed? Could it be that Australia was served by buried rivers, by spreading water-beds protected from the sun, more precious than rivers? Drought in the eighties forced on these new explorations. A Government bore struck 2,000 feet below the surface a reservoir which gushed nearly 3,000 gallons in a day. In those days the doubters were confounded, and men far away in comfortable cities dreamed of irrigation and agriculture in Australia's arid regions. The optimists began to preach, with the fervour of a tyrannical patriotism, their strange gospel of "Australia Unlimited." For a time the Australians wasted their artesian waters as if the supply were indeed unlimited. Then the flow from many wells began to diminish. It became necessary to pump water which formerly had gushed. The pessimists returned to the attack. The artesian supplies, they argued, were *plutonic*—an accumulated store which man's thriftlessness must speedily exhaust. This speculation has been proved erroneous. The water-beds are continually replenished by rains which fall upon the slopes of their "intake." But the replenishment may be only partial; it has not generally kept pace with consumption and waste. Australians now understand that



*From the Official Year Book of the Commonwealth, 1928.*

their task is to make the most economical use of limited resources. Artesian water is nothing more than a precious mitigation of the aridity of sparse pastoral lands.

Australian pastoralists have almost reached their farthest frontiers. The pressures which drive men to seek "better country farther out" are as strong as they ever were, and if to this day one-fifth of Australia remains completely unoccupied, that is because it is scarcely worth occupying. The discovery of Australia is now in the hands of the geographers, who have made clear to those who will listen many of the riddles which perplexed their predecessors, the explorers. Australia has the misfortune to present its greatest width to the tropic; much of the continent lies in Saharan latitudes, and its arid belt is second only to that of North Africa in breadth. The zones of diminishing rainfall, which are marked on the weather maps, are also zones of diminishing habitability. The following figures should make clear, once and for all, the vanity of imagining that Australia, because she has as many square miles as the United States of America, can ever compare with that country in wealth and power.

<i>Average Annual Rainfall.</i>				<i>Square Miles.</i>	
Under 10	inches	...	...	1,105,452	
„ 10-15	„	...	...	592,459	
„ 15-20	„	...	...	350,972	
„ 20-30	„	...	...	530,558	
„ 30-40	„	...	...	201,621	
Over 40	„	...	...	190,489	
Total				2,971,551	

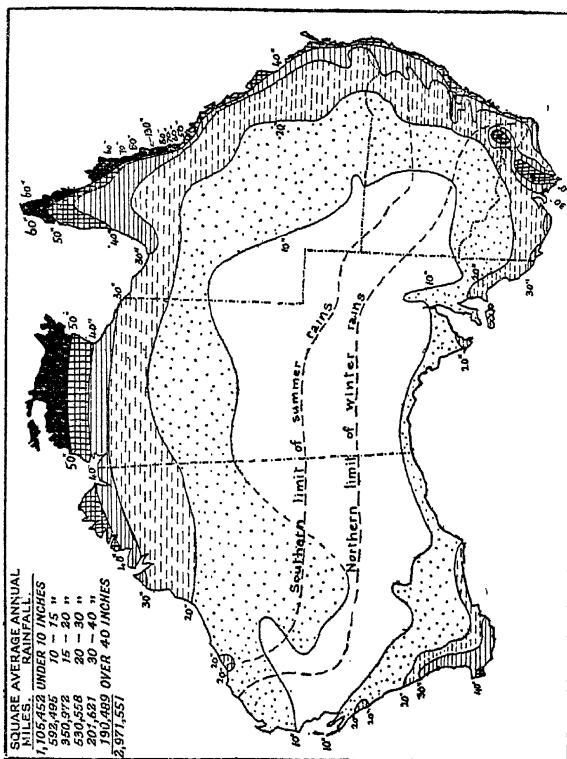
(From *Commonwealth Year Book*, 1924, p. 58.)

These figures of annual average rainfall, depressing though they are, do not tell the whole truth about Central and West-Central Australia ; for a " fair " average rainfall of ten inches may not signify very much if the sun will evaporate 100 inches in the year, and even a good average is not so satisfactory if it is the product of erratic variations. No less important than the maps which mark the zones of diminishing average rainfall are the maps which mark the zones of diminishing seasonal regularity of rainfall. The alternating waves of optimism and pessimism in the history of inland exploration become intelligible when it is understood that seasonal differences are decisive, that the sameness of Australia is the sameness of everlasting change, and that " to every new-comer the interior will show a different face."

There are in Central Australia frogs which have learned to store within themselves sufficient water to keep them alive through twelve or eighteen months of rainlessness. Men, by adapting themselves to their environment and modifying their environment to suit themselves, may achieve even greater marvels. But not even the cleverest frogs will swarm profusely in arid regions ; nor will the most resolute and ingenious men. One-half of Australia—including that fifth which even the most magnanimous geographers must class as desert—is arid country. It is the country of great sheep stations and (particularly in the north) great cattle stations. The farthest frontiers of Australian settlement must always be loosely held by that adventurous race of men who first dared, with their flocks and herds, to invade the unknown interior of the continent.

\* \* \* \* \*

The Australians are not depressed by the contemplation of their vast open spaces. The great majority of



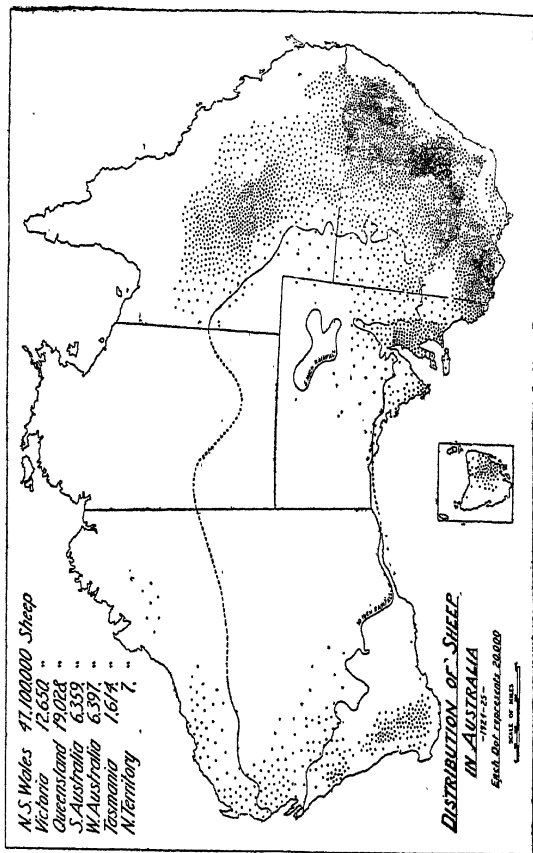
*Based on Maps of the Meteorological Department,  
Commonwealth of Australia.*



them live in a genial environment, and their hopeful gaze has been fixed upon nearer frontiers. Within these frontiers there has taken place a real settling, the "concentration" of which the systematic colonisers dreamed.

There was a forward-looking quality in the idealism of Wakefield and his friends. They saw that in England there was very little room, but that in the colonies there was "plenty of room." Was it tolerable that the waste lands of Australia, held by the Crown as trustee for the entire British people, should be parcelled out into gigantic sheep-runs enjoyed by a few nomadic pioneers? It was impossible to halt their westward march, impossible to refuse them temporary security of tenure, compensation for their improvements, and some limited rights of pre-emption; but the Government must not mortgage to them the future of the continent as a field of settlement for the surplus population of the British Isles. The battle which raged in the forties between the Government and the squatters, between the present and the future, became in the second half of the nineteenth century the central issue of Australia's democratic politics. For within the first decade of that half-century the rush to the goldfields of New South Wales and Victoria more than doubled Australia's population, and when gold began to fail the diggers clamoured for land. They wanted yeomen's holdings in the arable areas of the eastern colonies. Armed with their votes, they fell upon the monopolising squatters.

For several decades the squatters more than held their own. During those decades Australian democracy experienced for the first time the exasperation which vexes the holders of political power who struggle against economic realities. The more these democrats legislated against the squatters, the more they strengthened the



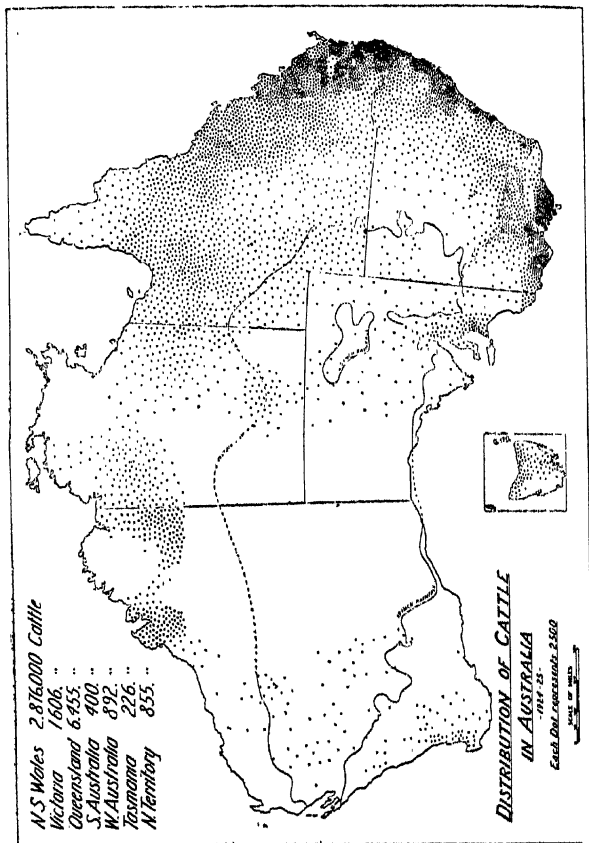
From the Official Year Book of the Commonwealth, 1928.

squatting monopoly. New South Wales offers the most striking illustration of their failure. An Act of 1861 allowed an intending settler to select and occupy, before survey, a farm area of from 40 to 320 acres (the limit was later raised to 740) anywhere in the well-watered half of the colony. The settler must pay one-quarter of the price and reside on his selection for three years; then, if he paid the balance, the land was his. This legislation must at the time have seemed decisive. Might not any man examine the squatter's run, and choose his farm, and enjoy it in freehold? But there were gaps in the law which enabled the squatter to take full advantage of his economic power. By "dummy" selections he might close the river-fronts and pick out the water-holes; or, if he failed in this, the banks would advance him money to buy out the selectors (some of them deliberate blackmailers) who had anticipated him. The banks did more. They were ready, wherever it was possible, to advance to the pastoralist the purchase money for his lease; for the Government had not abolished sale by auction, and while it was spending as revenue the millions of pounds flowing in from the sale of the public estate, it saw no urgent need to arrest a process by which 96 men acquired the freehold of 8,000,000 acres. In this way the legislation, which aimed to substitute agriculture for grazing, and small farmers for large landowners, had exactly the opposite effect. It was the same in Victoria. There, indeed, the Legislature made fewer mistakes, and retrieved them more quickly; yet even in Victoria 100 men secured the freehold of a million and a half acres which were sold in the early sixties.

The underlying reasons for this futile issue of the movement to "bust the big estates" must be sought,

not in the villainy of the squatters nor in the stupidity of the legislators, but in the ineluctable fact that large sheep-runs paid better than small farms. This was true, fifty years ago, even in districts which to-day are hospitable to a flourishing agriculture. South Australia was the exception which proved the rule. Democratic land legislation succeeded there because yeoman-farming was profitable there. The plains and highlands which stretch north and north-west from Adelaide offer exceptional natural advantages for wheat culture. Beyond these plains and highlands democratic legislation failed as signally as it failed in New South Wales. When the South Australian farmers tried to press beyond Goyder's Line, which roughly marks the limit of twelve inches of rainfall, the favour of their Governments did not avail to save them from ruin. "The plough had outstripped the rain-clouds," and the farmers retreated, leaving the land worse than they had found it. In Australia the sins of the too-venturesome farmer or pastoralist are visited on the land; beyond the economic frontiers drawn by geographical controls men may make no lasting annexations, but only devastating raids.

It is, however, possible to rectify those frontiers. Science and invention and the resourcefulness of the practical farmer have succeeded where colonial Parliaments failed. They are still pushing the larger graziers further into the hinterland. Machinery, manures, and experimental breeding of seed have added millions of acres to the kingdom of wheat in Australia, and the end is not yet. The Ridley stripper, which as early as the forties was taking the heads of wheat from standing straw and threshing the grain by means of revolving beaters, reduced the cost of harvesting from 3s. to 3½d. a bushel, and is the ancestor of modern harvesting



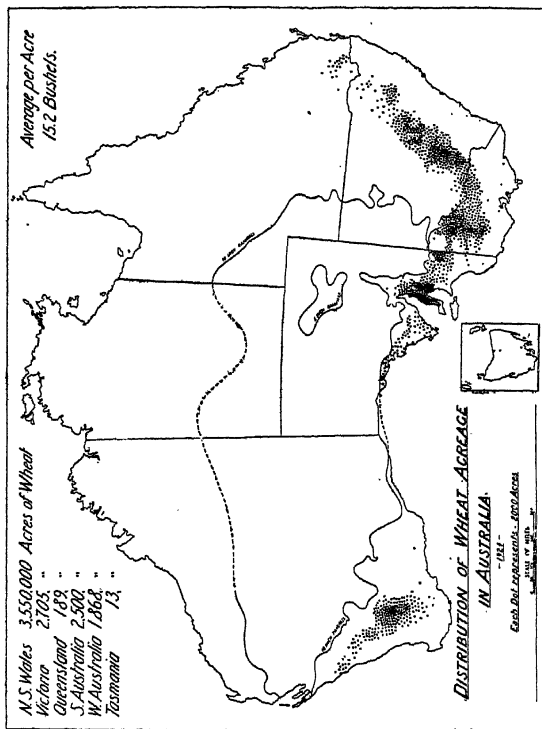
*From the Official Year Book of the Commonwealth, 1928.*

machinery. The stump-jump plough, invented early in the seventies, jolted over lands where mallee scrub had been rolled down and burnt, and made possible the settlement of country which hitherto had been thought useless. These were Australian inventions. And, in the nineties, when the average yield, even of South Australian acres, had fallen to six bushels, and pastoralists were working their way back into the heart of good wheat lands, the farmers were rallied at last by Australian leaders, who preached salvation through superphosphates and invented a machine which drilled in the fertiliser with each grain of seed. But the largest services to Australian agriculture were rendered by a solitary enthusiast, William Farrer. In 1886 he settled at Cuppercumberlong, in lovely country which the Commonwealth of Australia, twenty-two years later, chose for its own territory and capital city. There Farrer devoted himself to the task of breeding pedigree wheats adaptable to the endless variety of Australia's agricultural climates. He produced wheats which would resist rust and bunt and smut, wheats which would flourish in the hotter and moister lands of the north, and which in the drier lands of the Mallee would utilise every drop of water falling upon them in the short season of winter rain. British experts deprecated "these abstruse experiments in cross-fertilisation." Yet "these abstruse experiments" were, in their way, as decisive as were the "mere theoretical speculation" which 100 years before had won for Australia her primacy in wool. The services rendered by Farrer to his adopted country are second only to those rendered by Macarthur. Thanks to his leadership, the frontier of wheat culture has been steadily forced forward. In New South Wales it has been traced tentatively at ten inches of rain in the grow-

ing period ; in South Australia it reaches to the eight-inch line of winter rain, and beyond ; in Western Australia it has as yet hardly been drawn. Prophecy is an over-fashionable profession, and in Australia its besetting weakness is excessive optimism ; but even cautious calculators do not doubt that the Australians will be able to double or even treble the acreage of their wheat fields.

The advance of wheat-farming pushes back the large landowner, and in his stead there appears gradually a rural neighbourliness. But wheat does not altogether replace sheep. The areas most suitable for the growth of wheat generally overlap the areas which yield the best return per acre in wool and mutton. In the very best wheat country the farmer will keep a flock of sheep, not only to make his economy "two-legged," but also because sheep are an essential agricultural implement. They manure the soil and make clean fallow. Australia's economic frontiers are not drawn with any sharp definition. As the average rainfall diminishes, farms increase in size and flocks become larger in proportion to the area under cultivation, until at last the advance-line of agriculture is reached, where grass and edible bushes are the main crop, and wheat is sown only in a field or two as a speculative venture. Here the farmer will be content if a fair harvest every few years will pay for his luxuries.

Similarly, the inner boundary between the mechanised factory-farms of the wheat-belt and the area of intensive farming in coastal lands cannot be sharply drawn. Rather, it is a fluctuating any-man's land suitable for wool production and mixed farming on holdings which diminish in size in proportion as the rainfall becomes heavier. The twenty-inch line of rainfall may perhaps



From the Official Year Book of the Commonwealth, 1928.



be taken as marking roughly the inner margin of wheat farming. Between this line and the sea (but along great stretches of the south and west coasts the line itself lies far out to sea) there is a rich zone of timber and dairying, of orchards, maize, and sugar. Whereas the greater part of the wheat-belt has a short history of only one or two generations, there are many districts of this coastal zone which have behind them four or even five generations of occupation. In these districts there are domesticated landscapes and family settlement of the kind long known to Europe. Here may be expected the greatest concentrations of population. For these are the richest acres in Australia. Yet it is one of Australia's paradoxes that these lovely hills and valleys and rich alluvial plains, where little Naboths till their soil secure from pastoral Ahabs, cannot face confidently the great world of mutual rivalry and service. Even on his own ground, Naboth, the favourite of democracy, enjoys but a precarious security, and raises his voice in a cry for help. Intensive agriculture generally aims at meeting the demands of neighbouring markets, and when these markets are glutted, the cultivator is often at his wits' ends to know what to do with his surplus wares, particularly if they are perishable. Australian sugar and wine, butter, cheese, raisins, and canned fruits could not enter the markets of the world unless they were subsidised by the Australian consumer and taxpayer. Thus it is apparent that the solvency of Australia and the well-being of her coastal populations still rest on the foundations laid by John Macarthur and William Farrer.

\* \* \* \* \*

The invaders of Australia have found their economic frontiers. Their mastery of the continent has followed

from their triumphs in pastoral and agricultural technique. It also owes a great deal to the revolution in methods of transport. The voyage of the First Fleet to New South Wales occupied eight months and one day; the vessels which plied to and fro between Australia and England in the forties of last century were expected to be on the water about 140 days; the clippers which came into fashion about the turn of the half-century could complete the voyage in 90 days or less. When men were still marvelling at the record of the *Thermopylæ* (63 days and 17 hours) steam was already substituting itself for sail. The first voyage to Australia under steam had been made by the paddle-wheel ship *Sophia Jane* in 1830-31. Others followed her in the thirties; but during the next decade there was a complete return to sail. Then, in 1852, the P. & O. Company despatched its first steam vessel, and since that date the progress of invention and the opening of the Suez Canal have shortened the Australian voyage to four weeks. Simultaneously, the invention of refrigeration has made it possible to carry across the tropics Queensland beef and Victorian butter, apples from Tasmania, and mutton from anywhere. . . . And while Australia has thus by sensational leaps come closer to the Northern Hemisphere, she has seen a similar shrinking of her continental distances. Although the story of the westward march of the squatters gives in the telling an impression of reckless speed, their progress from day to day was painfully slow. When they had settled on the Darling Downs or in the Riverina, the bullock teams which carried their bales of wool to the nearest port would seldom, under the most favourable circumstances, cover more than twelve miles in a day. In the second half of the nineteenth century British capital began the

task of providing Australia with a "permanent outfit" of rails and locomotives; and where the trains ran the cost of transport fell sensationally. Beyond the reach of the railways, horses and bullocks continued to handle the heavy transport; while the Bush coaches of Cobb and Co. (a contribution of American initiative, which has always been quick to understand the problem of transport in the back-blocks) guaranteed the efficient delivery of passengers and packets. The advent of the motor-car early in the twentieth century spelt doom to coach and bullock-waggon, and little less than doom to the horses of the eastern interior and the camels of the arid central regions. And now the aeroplane is threatening a further revolution.

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The record of a bare six generations of British enterprise in Australia would be incredible were it not for the fact that it falls wholly within the epoch of the stupendous energies let loose by the Industrial Revolution, which originated in England, and the Democratic Revolution, which blazed and spread from France. For good and for ill, Australia has had forced upon her the inheritance of all the ages. The continent has been peopled by a civilisation ready-made; the British have imposed themselves upon it with their barbed-wire and railways and commercial journalism and modern liberal ideas. Their advance resembles the forward-scattering of a horde, and sometimes, like the onrush of a horde, it has been devastating.

The Australian aborigines, shut off for centuries from the co-operative intelligence by which nations who are neighbours have created their common civilisation, never imagined that first decisive step from the economy of

the chase which would have made them masters of the soil. Instead, they fitted themselves to the soil, modelling a complex civilisation of intelligent artificiality, which yet was pathetically helpless when assailed by the acquisitive society of Europe. The advance of British civilisation made inevitable "the natural progress of the aboriginal race towards extinction"—it is the soothing phrase of an Australian Governor. In truth, a hunting and a pastoral economy cannot co-exist within the same bounds. Yet sometimes the invading British did their wreckers' work with the unnecessary brutality of stupid children. The aboriginal race has always possessed enthusiastic friends, but the friends have never agreed upon a consistent and practical policy for the black man's preservation. It might still be possible to save a remnant of the race upon well-policed local reserves in Central and Northern Australia. This would cost hard thought and hard cash. Australian democracy is genuinely benevolent, but is preoccupied with its own affairs. From time to time it remembers the primitive people whom it has dispossessed, and sheds over their predestined passing an economical tear.

The very soil has suffered from the ruthlessness of the invaders. The most precious possessions of Australia are her rivers, whose even flow is protected by the forests which stand around their mountain sources and the trees which line their banks. The invaders hated trees. The early Governors forbade them to clear the river-banks, but these prohibitions were soon forgotten, and in the second half of the nineteenth century tree-murder by ring-barking devastated the country on a gigantic scale. Provided that it is used with restraint, ring-barking is a useful method of clearing the land; but the greed of the pioneers caused them to devastate

hundreds of thousands of acres of forest-land which they could not hope to till or to graze effectively. To punish their folly the land brought forth for them bracken and poor scrub and other rubbish. They ruined valuable timber to make a few wretched farms, but this was not the end of their folly. Placid low-banked rivers frequently gave place to water-channels which in rainy weather whirl along useless muddy waters threatening ruin to good alluvial lands, and which in time of drought parch into hard, cracked mud. Even the River Murray (one has heard the Danube quaintly described as "the Murray of Europe," and this phrase suggests the value which Australians ascribe to their greatest waterway) has suffered an alarming increase of its winter velocity and decrease of its summer flow through the destruction of forests around its head waters.

The advent of the white man with his ready-made civilisation has violently disturbed the delicate balance of nature established for centuries in the most isolated of continents. The Englishman eats out the aborigine. English trout displace the native black-fish from mountain streams. And, to compensate for the rapid extinction of the native bear (which performed a useful service by checking the spread of mistletoe, a great enemy of trees), Australia has been presented with the rabbit. The ways of the land are strange. The first rabbits came out with the First Fleet, but it was not until the second half of the nineteenth century, which on many counts must be judged the epoch of devastation, that the rabbits multiplied and became a scourge. Perhaps the imitative colonial gentry hoped to introduce English game laws with English game. About 1860 a man was fined £10 for shooting a rabbit belonging to Mr. John Robertson. A few years later Mr. John Robertson was

spending thousands of pounds in an effort to clear his land of the "pest." In the more arid parts of Australia (if one may trust those who give witness before Parliamentary Commissions) the rabbit has developed a long neck and a miniature hump! It can, at any rate, go for long periods without water; and it can live on bark. Thus it kills the scrub by ring-barking it, and, in addition, destroys millions of seedlings. It "eats the heart out of pastures" by its habit of selective feeding, taking the best grasses and leaving the worst. It has made new deserts. A writer in the *Australian Encyclopedia* has estimated that "with the removal of the rabbit the capacity of the Commonwealth for carrying live stock would probably be increased by twenty-five per cent." This, surely, is an exaggeration. In all good pastoral lands the rabbit is now under control. Yet the expensive assaults upon the pest, together with the loss from the deterioration of pastures, must have cost the Australians hundreds of millions of pounds.

Australia has suffered too much from the greed or ignorance of her invaders. And yet, if a balance could be struck, it would probably be reckoned that alien men and animals and vegetation have enriched the soil more than they have impoverished it. "It is the browsing animal that makes the sward," and the trampling of hundreds of millions of sharp little hoofs has consolidated illimitable grass-lands for the use and comfort of man. Professor Stapledon, whose *Tour in Australia and New Zealand* is a fascinating history of the making of our fields and pastures by the patient toil of man and beast, bids us take comfort from the thought that "Land is unique among raw materials because, abuse it as we may, given time and knowledge it is generally possible to rectify even the profoundest errors of the past." From

the flame and ruin of dreary scrub arise fertile cornlands and a rich permanence, and the wounds which the violence of the British inflicted upon Australia are healed as impatience to possess slackens into a true partnership.

## CHAPTER II

### TRANSPLANTED BRITISH

THE Australian people has sprung from transplanted British stock. During the first forty or fifty years of the transplanting, this stock was of predominantly poor quality ; but throughout the last 100 years it has been generally clean and vigorous.

The tendency of a folk to idealise its origins is universal among mankind, and may be observed even in Australia, where the popular imagination has created the legend of a typical convict "sent out for snaring a rabbit." This legend neatly reverses the positions of the convict and of the judge who sentenced him, for in Australia it is considered not only legitimate, but even virtuous to snare rabbits. Thus the champion of the convicts invariably opens his case with an indictment of the vices of England's aristocratic social system and brutal penal laws.

"The law locks up the man or woman  
Who steals the goose from off the common,  
But leaves the greater villain loose  
Who steals the common from the goose."

It may well be true that the library which the Society for the Promotion of Christian Knowledge so tactfully selected for the first convict fleet—200 *Exercises against Lying*, 50 *Cautions to Swearers*, 100 *Exhortations to Chastity*, 100 *Dissuasions from Stealing*, 50 *Religions made Easy*—might have circulated with equal appropriateness among the higher orders of English society. It is undeniably true that these exhortations and dis-



suasions were most inappropriately addressed to Scottish martyrs and Irish rebels and the Dorsetshire labourers, who dared to demand ten shillings a week, and the poaching convicts, who were, perhaps, "the best villagers in England." Thanks to the stupid savagery of the penal code, some really good raw material for nation building was transported to New South Wales; there were among the convicts men of worth who won for themselves an honourable place in colonial society. Moreover, the most brutal of England's criminals were generally sent to the gallows rather than to New South Wales. So much may be conceded. But an examination of the records of transportation at any period between 1790 and 1840 would show that spirited poachers and political prisoners and even picturesque intelligent villains were but a small leaven in the lump, which was wretched and listless and forlorn. Were it possible to compel the prison warders of this past age to produce for our inspection a "typical" transported convict, they would show us, not the countryman who snared rabbits, but the Londoner who stole spoons. Robespierre's belief that virtue is in a minority on this earth is not, let us hope, justified by the normal behaviour of ordinary humanity; but it would have appeared an obvious and exact explanation of the state of society in early New South Wales.

The English Government believed, like Robespierre, that this outnumbered and threatened virtue must arm herself with terror—"salutary terror"; it is the phrase of a Secretary of State. But even Secretaries of State discovered, after some decades of nauseating experiment, their system's "inefficiency in deterring from crime and remarkable efficiency in still further corrupting those who undergo punishment." Reformers had persistently asserted that the system encouraged a three-

fold deterioration—of the convicts, of the prison officials, and of the free colonists. At the head of the reformers must be ranked Australia's greatest Governor, Macquarie, who throughout the second decade of the nineteenth century treated the convicts as "children of misfortune who, if rightly ruled, might reasonably hope to regain their right rank in society." But Macquarie's policy was reversed in 1820, and throughout the latter decades of convictism in Australia, the system was enforced in its most baneful form. Its results may well be summarised in the words of Henry Parkes, who in 1839 escaped from grinding poverty in England, landed at Sydney with a wife and child and three shillings, and began the long battle which won him first place among colonial Statesmen: "I have been disappointed in all my expectations of Australia," he wrote, "except as to its wickedness; for it is far more wicked than I had conceived it possible for any place to be, or than it is possible for me to describe to you in England."

It is quite impossible to measure with precision the effects of this wretched beginning on the later history of Australia. The answer to the first obvious question—what proportion of the Australian people are descended from the convicts?—can hardly be guessed. An American professor has argued that it must be small; for, admitting that 130,000 offenders were transported to Australia, the proportion of females was, during the first thirty years, no more than 16 per cent., and throughout the whole period it remained very low. Moreover (we must forget the wicked prolific Jukeses and remember only the prolific virtuous Bowdlers), many of the female convicts were so very depraved that they were incapable of bearing children. . . . An Australian professor, on the other hand, considers that "the

descendants of convicts must form a large proportion of a population which at the present time (he is discussing New South Wales) is little more than two million. This is a fact that should give rise to a feeling of exultation, for it is one of the very best and most hopeful facts in all human history . . . a brilliant argument for the optimist."

It is, indeed, a well-attested fact that the children of the convicts were in every way more virtuous, more *adequate*, than their parents. A very intelligent observer wrote of them in 1827: "They are a fine interesting race, and do honour to the country whence they originated . . . and, indeed, what more can be said in their favour, than that they are little tainted with the vices so prominent among their parents?" It would appear that their convict parents had not inherited and did not transmit an undue proportion of original sin; rather, they were in the main unfortunates whose growth had been stunted in a wretched soil. In the new soil, the health and vigour of the stock reasserted itself. This, at any rate, seems a reasonable supposition, for definite proof is impossible. Inquirers who love statistics might indeed be tempted to juggle with the figures of serious crime in Australia, which are very definitely higher for New South Wales than for any other State. But then they are comparatively low for Tasmania, which was saturated with convicts of the worst description. It may be retorted that Tasmania has steadily exported a large proportion of her population to the mainland; but, in truth, the whole Australian continent is overrun by an astonishingly mobile and shifting population. The descendants of convicts may be anywhere. We may occasionally suspect that the worst convict blood is represented in the underworld gangs of our great cities; but this suspicion is of small

importance when set beside the attested fact that the Australian population does not fall below the high average of respect for law which is attained in British communities. All the clues which seem at first sight to suggest the visible persistent influence of convictism upon Australian life prove in the end to be misleading. There is, for example, the language clue. "A number of the slang phrases of St. Giles's Greek," remarked a visitor to early Sydney, "bid fair to become legitimatised in the dictionary of this colony: *plant*, *swag*, *pulling up*, and other epithets of the Tom and Jerry school are established—the dross passing as genuine, even among all ranks." Two at least of these three words are still current in Australia, and retain their original meaning. Australians who consult the "Dictionary of the Flash Language," which a transported convict, James Hardy Vaux, printed in his *Memoirs*, will be surprised to discover the disreputable origin of words and expressions which they never question. We still use many of the phrases of early Sydney. But, then, so do the English. Many of them occur in Dickens, and almost all may be found, with English references, in the dictionaries of English slang. Thus the philological clue, like all the others, is inconclusive. Yet we may suspect that there has come down to us, by subtle hidden channels, a vague unmeasured inheritance from those early days. Ideas once held by the military governors and their subjects about the functions of government and the economic ordering of society are to-day widely held in Australia, and though the gold-rushes of the mid-nineteenth century begin a new era in the history of the Australian people, the historian will not be readily persuaded that they mark a complete break with the past.

"Can you not tempt some of our superabundant popu-

lation to go to New South Wales?" "Is there no way for a man to get there but by stealing?" Questions like these became common about 1820. During the preceding generation there had been thin trickles of free immigration into New South Wales; in the time of Macquarie the English Government, so assiduous in shipping thither persons of certified bad character, had quaintly demanded certificates of good character and worldly prosperity from volunteer settlers. An increasing class of "respectable monied men" diversified the economic and social life of the colony. But, after thirty-two years of British occupation, the free population of the colony (exclusive of "emancipists") was only 1,307. For the next ten years the average annual arrival of free settlers was 867, and by 1830, when the economic possibilities of Australia were already widely realised in England, the colony was hungry for additional supplies of labour. At the same time, English economists and philanthropists were becoming increasingly anxious about "our superabundant population."

We may conveniently approach our examination of the new immigration by considering the ideas of four persons who were closely interested in its prospects.<sup>1</sup> The first of them, Wilmot Horton, was chiefly concerned with Canada, but he is the spiritual father of a family of British propagandists who to-day make plans for Australia or any other dominion; among his descendants are the members of the Industrial Transference Board—and Sir James Foggart. Horton cast a gloomy Malthusian eye over the "redundancy of population" in the British Isles,

<sup>1</sup> For what follows I wish to acknowledge my special debt to an unpublished *History of Free Immigration into New South Wales*, by Myra Willard. It is in the Fisher Library, Sydney.

the hunger and squalor of the lower classes. Surely there was relief for this misery in the vast open spaces of the colonies? To each poor emigrant he would give sustenance for a year, implements, and 100 acres; after five years the Government might claim a quit-rent of twopence an acre. The settler must be "firmly fixed on the soil; instead of taking his chance of obtaining subsistence, instead of being like a plant thrown down on the earth either to take root or be withered by the sun, he would be like a young and vigorous tree, set by a careful hand, with all the advantages of soil and climate. . . ." The vision is a very attractive one, but Australian experience has proved repeatedly that "the careful hand" of the State is too clumsy to perform this delicate work, except at inflated costs, which in the long run cripple the country's capacity to absorb Great Britain's redundancy of population. Moreover, as Sir Robert Peel pointed out, "the greatest objects of sympathy might well be the least suitable objects for emigration." Horton's schemes, in so far as they were applied, degenerated into the process of "shovelling out paupers," which parodied and failed to satisfy the demands both of Great Britain and the colonies. The plain fact is that altruistic schemes of emigration will never succeed on a large scale. Only if they are under the direct control of men who will buy their success with money and personal devotion (the work of Kingsley Fairbridge is the noblest Australian example) can they hope to escape failure. They must be content with relieving the distress of individuals; they cannot aspire to relieve the nation.

There was, in fact, a danger that English sentimentality would rival English brutality in saddling Australia with a population of miseries. Between 1831 and 1836 an attempt was made to redress the discrepancy between the

sexes by shipping out special cargoes of single women. The selectors tried to secure good, healthy, country lasses ; but Australia did not attract this class of young woman, and the greater part of the shiploads was made up from workhouses and charitable institutions. The temptation not to be over-strict in granting and criticising references of good character was irresistible, and the *Sydney Morning Herald* complained that these women "added pollution to a society of convicts." The superior ladies of New South Wales were so scandalised at their behaviour that they would not even form a committee to help them find employment ; when they landed almost penniless from the ships (one consignment of sixty-four girls had fourteen shillings between them) they were bundled into "the Bazaar" to be leered at by the rabble and looked over by prospective employers. Under these conditions their chances of remaining or becoming virtuous were little greater than those of the convict women.

Thanks to the efforts of one extraordinary woman, New South Wales raised itself from this trough of iniquity. Mrs. Caroline Chisholm was the wife of an officer in the Indian Army ; she came to Australia in 1838, and her practical compassion was worth all the indiscriminate philanthropy of a thousand Hortons. It is surprising that her story has not been pounced upon by one of our clever modern specialists in the short biography ; but probably her character is too substantial and balanced to lend itself to their mildly malicious irony. Her precepts, set in their context of colonial iniquity, are sober, unexaggerated truth. "If the paternal Government wishes to entitle itself to that honoured appellation, it must look to the materials it may send as a nucleus for the formation of a good and virtuous people. For all the clergy you can

appoint, all the churches you can build, and all the books you can export, will never do much good without what a gentleman in that colony calls 'God's police'—wives and little children." She wrote this to Earl Grey, Secretary of State for the Colonies. Her astonishing achievement consists in the fact that she made Secretaries of State and Governors and the leaders of the colony listen to her; and she succeeded in this because her deeds were so much more important than her words. It is scarcely an exaggeration to assert that Mrs. Chisholm established the dignity of womanhood and of the family in New South Wales. She claimed in later life that she personally had been the means of settling there 11,000 souls (another estimate says 14,000); she was directly the founder of the system of family group settlement, and, indirectly, of the nomination system, which has been the most successful method of immigration. One is tempted to acclaim her as the only writer upon migration questions who has never perpetrated a word of nonsense. ". . . We cannot really be great as a nation," she said, "except every man be made to feel that his individual conduct is thrown into the national scale, unless he is made sensible that he forms one of the Commonwealth. . . . Much of our nationality, much of our character as a people, rests upon self-respect, upon the opinion formed of us by the neighbour or the public." Or, again, opposing vast schemes of the Horton type and insisting that persons who wanted to emigrate made the only good immigrants—"Nothing but what is voluntary is deserving the name of national." Mrs. Chisholm had in her the root of the matter.

It will readily be perceived that the regeneration of Australia's society accompanied and was dependent upon its economic achievements. England began to send to



her colonists of the right quality, because she had begun to send to England goods of the right quality. Thus the work of Macarthur and his imitators bore fruit in the more hopeful beginnings of two new colonies. The settlers who went to Perth in 1829 included, according to Governor Stirling, "more than the usual number of men of property and family." "The calibre of the early settlers," wrote Sir George Grey of his former subjects in South Australia, "gave me trust in the new Anglo-Saxondom of the Southern Hemisphere. There was a worth, a sincerity, a true ring about them which could not fail of great things." Mention of South Australia suggests the third outstanding name in the migration history of this period, that of Edward Gibbon Wakefield, who in 1829 propounded from Newgate prison those theories of "systematic colonisation" which began a new chapter in the history of British colonial policy. Wakefield's doctrines have been so often expounded and criticised that it is unnecessary to discuss them here; but it is due to his memory, which has not been greatly honoured in Australia, to state clearly that his achievements far outweighed his mistakes. He, too, had the root of the matter in him, and was a "necessary" man at this stage of Australian history. He opposed transportation and the shovelling out of paupers, and insisted that emigrants should be carefully selected, that there should be an equal proportion of the sexes, and, for preference, a predominance of young married couples. He has been sneered at for wishing to foster a colonial gentry, but Australia 100 years ago sorely needed more than a sprinkling of gentlemen. If he hankered after a society which would reproduce in some degree the English model, he also desired that this society should enjoy English freedom, and he looked forward to a time when the self-

governing colonies of Australia would control their own waste lands. He did not understand the pastoral industry, and his economic programme was in detail fantastically doctrinaire; yet his approach was sound, for he realised that immigration into a colony was dependent upon the prosperity of that colony, and that this prosperity was dependent on a just equilibrium between the various instruments of production. Moreover, it was largely due to his advocacy that an efficient organisation was established in London for selecting immigrants and for equating the supply of labour with the colonial demand, and it was he who discovered in the Land Fund a source of revenue for defraying the expenses of migration. Between 1836 and 1850 there was spent from this Fund one and three-quarter millions in assisting 75,000 settlers to reach New South Wales. In 1828 the free population of New South Wales (including emancipists) was 20,930; in 1841 it was 101,749.

During the thirties and early forties the demand for labour was at its height, and the pastoral industry, directly or indirectly, absorbed the bulk of it; New South Wales was actually importing one-third of its wheat. In 1840 transportation (except to Van Diemen's Land) was abolished, and the Australian colonies began to march rapidly towards political freedom. But were their social foundations sufficiently strong to support the superstructure of self-governing institutions? Self-government is not easily reconcilable with a society that is split into two well-defined opposing interests, and the feverish immigration of the thirties and forties, directed as it had been to supplement and supplant the labour of assigned convicts, had done little to provide a class of settlers capable of filling the gap between the capitalists and the wage earners. It was the self-imposed mission of our

fourth personality, Dr. John Dunmore Lang, to provide Australia with a middle class. Dr. Lang himself possessed all the Scottish middle-class virtues ; he came to Australia in 1823, and for years was a most powerful and healthy influence upon Australian life. He had achieved a good education and the ministry, and in Australia he was an indefatigable founder of schools and churches. He believed in learning and Protestantism, and disbelieved strongly in the English governing classes which, so it seemed, Wakefield and his disciples wished to reproduce in Australia. When the gold-diggers invaded Australia he rejoiced in their radical and levelling influence upon " a land where already perhaps more than in any part of the world 'a man's a man for a' that.' " He had already made many voyages to Great Britain in search of independent self-respecting mechanics and, still more, of sturdy farmers ; and, since the exploitation of land in Australia tended to follow large-scale methods, he undertook inquiries into crops likely to attract and reward his family-settlers. It was he who first demonstrated the possibility of occupying coastal Queensland by means of a small-scale cultivation of cotton and sugar. His tireless aggressive energy was directed by a heterogeneous collection of prejudices, enthusiasms, and nationalisms, which somehow or other blended into something that was significant and new—Australian nationalism. It appeared to him " to be unquestionable that the Scottish nation was selected by Divine Providence after its deliverance from 'the Babylonish woe' to . . . spread the knowledge and practice of pure and undefiled religion over all countries and thereby to prepare the nations for the coming of the Messiah." In Australia the Scottish nation had been careless of its mission ; Papistical Irishmen had of recent years swarmed disproportionately into

the colony. Lang demanded (vainly, for the Irish strain in the Australian people to-day is little less than 25 per cent.) that Antipodean Britain should reproduce exactly the racial blend of the British Isles. Antipodean Britain meant to Lang more than Australia ; one paltry continent was not sufficient for his proselytising Scottish Calvinism. Good Scotchmen must make the sluggish English understand that they had a mission to extend the dominion of Australia over all the islands of the Pacific, "not only for the benefit of all these Australian colonies, but for the promotion of the interests of civilisation and Christianity throughout the vast Pacific Ocean. . . . It was simply and solely the expenditure of British money in the founding of this colony that has rendered it possible for any other Power in the world to plant colonies in the Pacific, and why should we permit any such foreign Power to enter upon our labour as the French have done in Tahiti and New Caledonia? . . ." With magnificent impudence, Lang asserted that the independent Britons of Australia were worthier and more competent to advance the interests of God and His chosen people in the Pacific Ocean than were those detested governing classes who in England blew neither hot nor cold. All his discordant prejudices and passions found their vent in one protesting blast of the trumpet against the monstrous regiment of England, in a defiant vindication of "Freedom and Independence for the Golden Lands of Australia."

The lands of Australia had become golden in 1851 ; and Lang, understanding that those who were mighty in the colonies would now be abased, offered his thanks to God, who had marked the unworthiness of Papistical Spaniards to enjoy His gift of gold and had transferred it to a Protestant community. Within ten years the rush for gold almost doubled the population of New South

Wales, and multiplied sevenfold the population of Victoria. By the gradual growth of sixty-three years the Australian colonies had attained in 1851 a population of 405,000; in 1861 their population was 1,145,000. The squatters and the established gentry of the cities murmured against this invasion; in the first exciting years it was impossible to hire reliable labour. Everybody was off to the diggings. An archdeacon was forced to lay the table while his wife cooked the dinner, and a governor, finding no craftsman to repair the gold chain of his eyeglass, gloomily predicted "a total alteration in all the relations of society."

The gold-rushes did in fact violently interrupt the gradual, steady growth of the Australian colonies, and later generations of democratic Australians have loved to look upon them as a time of new and true beginnings—the one epoch in their past in which History has fashioned for them a mirror, so that they may behold themselves reflected as they would be, as they surely are. They have acclaimed the diggers as their Pilgrim Fathers, the first authentic Australians, the founders of their self-respecting, independent, strenuous national life, the fathers of their soldiers. For this reason alone the epoch of the gold-rushes would be decisive in the history of Australia; for respect of ancestry is a spiritual necessity in every nation, even the youngest, and the legend is more important than the fact. In truth, the legend of the Australian diggers does not greatly distort the fact. Despite the generous sprinkling among them of outlandish foreigners, low-born rascals, and well-born ne'er-do-wells; despite their red or blue flannel shirts, gay handkerchiefs, high boots, and brass-buckled belts, their straw hats, their rings, their extensive beards and moustaches, the new settlers were predominantly

vigorous, independent, law-abiding Britishers who (to the intense satisfaction of Dr. Lang) struggled for decent comfort when they were disappointed of riches, derided the colonial gentry, demanded democracy, and observed the Sabbath "with order and decorum." As they threw themselves upon the land, scouring the river flats, scarring the sides of rugged mountains, forcing their way to the heads of tortuous gullies, so they imposed themselves upon colonial society, casting down its barriers, fighting for a foothold in its multitudinous crannies, pushing their way towards its summits, where a noisy crowd of the new-rich flaunted its good fortune. The little exclusive circles, which in Melbourne and Sydney had politely imitated English gentility, looked askance at the lucky upstarts—and intermarried with them. In the second half of the nineteenth century Australia became familiar with a new vulgarity and a new vigour.

It would be a mistake, nevertheless, entirely to accept the digger legend. Democracy, nationalism, even trade unionism, had their beginnings before the gold-rush, and would—gradually and less dramatically—have reached their maturity without it. It is true that this maturity might have been very different from that which Australia has achieved. The "digger spirit" is perhaps the typical Australian spirit. But the ideal digger—the independent fellow seeking his own fortune and paying his own fare—is not the typical Australian settler. Even in the gold-rush period, more than 100,000 assisted immigrants entered New South Wales alone, and it may safely be asserted (despite the impossibility of calculating with any exactness the numbers of those who paid their own way to Australia) that the assisted were in a decisive majority throughout the second half of the nineteenth century, as they were throughout the first. Since the

foundation of British power in Australia, more than a million people have been assisted to her shores, and it seems plain that their descendants must outnumber the descendants of unassisted settlers. Fantastic attempts have been made to classify the habits and tendencies of the Australians according to the two chief categories of their immigrant ancestors. The assisted immigrants, it has been suggested, fathered the town-dwellers ; the unassisted produced the great-hearted fellers of forest and conquerors of drought. For such a suggestion there is not one shred of evidence, and there is no reasonable justification for the implied opinion that the assisted have been an inferior stamp of men. Australia has been forced to compete with North America for the colonists she has needed ; by offering them assistance to reach her shores she has done no more than compensate her disadvantage of remoteness and place herself on a level with her competitors. Having done so much, she has appointed agents in Great Britain to satisfy themselves on her behalf that those who offer themselves are of reasonable moral and physical health, and fit for the tasks that await them ; or, by accepting applicants vouched for by persons (other than employers) already in the colony, has placed responsibility on the shoulders of those who have something to lose by uncritical benevolence. In this way she has secured for herself fair average quality.

It would be unreasonable to seek for more. Settlement in Australia is not a forlorn hope, and the descendants of last century's immigrants prove by their very appearance that the sunny spaciousness of Australia may be trusted for something. Exactly what physiological effects transplantation to this new environment has had upon the emigrant British stock it is impossible to say. Periodical discussions at medical congresses lead little further

than the enumeration of visible symptoms—the earlier maturity of adults, a predominance of eyes brown and grey (Anglo-Saxon blue seems to be rare in Australia), the frequency of sharp noses and thin lips. Indeed, there is very little evidence to support the popular belief that environmental changes produce somatic changes in the character of races. And yet it is reasonable to speak of an “Australian type.” The Australian is a product of the blending of all the stocks and regional types which exist within the British Isles, nourished by a generous sufficiency of food and breathing-space and sunshine. Nor are there in Australia variations of type which follow the lines of class, as they do in England. There were no battalions in the A.I.F. where officers and men might be distinguished by their very inches.

It is recorded in the official Year Book of the Commonwealth that 98 per cent. of Australians are British subjects, born either in Australasia or the British Isles. This does not mean that no more than 2 per cent. of Australians are of foreign origin. “Non-Britishers” have played a far from negligible part in developing Australia, and they and their children number more than 10 per cent. of the population. Yet they have been so easily assimilated that the Australians, misreading the official figures, have persuaded themselves that they are “98 per cent. British” in blood—far more British, they are wont to boast, than that diluted (and therefore inferior) mixture in the British Isles. The confusion of stocks and classes in Australia has, in fact, all but obliterated the physical and psychological subtleties which diversify the demographic landscape of England, Ireland, Scotland, and Wales ; if such a creature as the average Briton exists anywhere upon this earth, he will be found in Australia.



### CHAPTER III

#### "INDEPENDENT AUSTRALIAN BRITONS"

MEN do not emigrate in despair, but in hope. Among the various types of British emigrant none is less typical than the listless, reluctant pauper shovelled out in the early thirties of last century. There is very little room in the old country but plenty of room in the colonies, and the men who come to Australia come in search of room ; they expect a larger return on their capital and a higher price for their labour ; they leave a land where opportunities seem to be shrinking for a land where the expanding chances may lead them anywhere. Some of them carry away a grudge against the homeland. Yet even the bitterness of the stunted and the starved is mingled with a wistful affection for the country of their misery and birth ; so that amid surroundings new and profoundly alien they strive to erect the old familiar landmarks. Their most practical workaday activities are tinged by nostalgia, and, do they but combine to defend their standard of living, they declare (it is the manifesto of ninety years ago) : "Formed into such a society, we cease to be strangers and friendless in the land of our adoption."

"Dear, happy England seems already like the land of shadows, beautiful and beloved, but abandoned for ever." So writes from the outward-bound ship a daughter of the vicarage ; and then, with her genteel, stout-hearted brothers and sisters, struggles to recreate an English substance in the wilds of Western Australia. "It is indeed a sweet place," she writes from the new home,

“and improvements are daily springing up around us. The house we now occupy would strike at a distance as a comfortable substantial-looking mansion. It is white, and the four windows in the upper storey give it a cheerful and finished look, which perhaps it does not quite deserve. As you approach it the garden, well fenced and productive in all English vegetables, would almost make you forget that you are in Australia.” That is the aim of so many—to forget that they are exiles in Australia, to fence from the wilderness a little corner of England. “The house was thatched and whitewashed, and English was written on it and on every foot of ground around it. A furze bush had been planted by the door. Vertical oak palings were the fence, with a five-barred gate in the middle of them. From the little plantation all the magnificent trees and shrubs of Australia had been excluded with amazing resolution and consistency, and oak and ash reigned safe from over-towering rivals.” This is a novelist’s picture; but let us compare it with a footnote to Professor Shann’s *Growth of the Australian Economy*. “He congratulates himself”—he is a little farmer of Killyfaddy, near Launceston in Tasmania—“on his 150 acres of fine meadows, into which he has dibbled roots of sweet-scented vernal grass. This he thinks will give the hay a scent that will puzzle ‘the natives and cockney farmers.’ Apple trees, quinces, peaches, almonds, apricots, plums, cherries, gooseberries, raspberries, and strawberries are planted in his orchard, and ‘several thousand forest trees in the seed-bed and nursery’ are ready. Of 50 acres cleared for cultivation 30 are ploughed and part sown. He is preparing to plant sweet-briar hedges under the ‘dead fences,’ and has three bushels of haws of colonial growth.” Thus “the improving hand of the European” is laid upon the Bush,

domesticating its unappreciated wildness, hewing from its forests English fields and English meadows, transforming a wayward, indifferent Nature into the homely goddess of the English countryside, gentle, companionable, and kind.

To the early settlers, the Bush was an unfriendly wilderness. It would not accept them as it had accepted the aborigine; they must master it, and mastery—until the second half of the nineteenth century, when Australia first felt the direct impact of the machine age—came so painfully and so slow. They were overjoyed when, pushing beyond the dense mountain forests of the belt of heavy rainfall, they found more manageable, more familiar country, "like a park and grounds laid out." In the Australian Bush the romanticism of their generation became tinged with a melancholy that was in part spontaneous, in part a fashionable pose. The settler must pretend to shudder "when he crossed unawares in his path the naked lord of the forest." "The Australian mountain forests," wrote Marcus Clarke, "are funereal, secret, stern. Their solitude is desolation. They seem to stifle in their black gorges a story of sullen despair. No tender sentiment is nourished in their shade. In other lands the dying year is mourned, the falling leaves drop lightly on his bier. . . . In the Australian forests no leaves fall. The savage winds shout among the rock-clefts. From the melancholy gums strips of white bark hang and rustle. The very animal life of these frowning hills is either grotesque or ghostly. . . ." "Yet," he confesses, "the dweller in the wilderness acknowledges the subtle charm of this fantastic land of monstrosities. He becomes familiar with the beauty of loneliness. Whispered to by the myriad tongues of the wilderness, he learns the language of the barren and the uncouth.

and can read the hieroglyphics of haggard gum trees, blown into odd shapes, distorted with hot winds, or cramped with cold nights, when the Southern Cross freezes in a cloudless sky of icy blue."

It is difficult for the Australian to believe that his country did really reveal itself to his fathers as a "fantastic land of monstrosities"; difficult for him to imagine that the friendly chuckle of his favourite, the kookaburra, ever sounded like "horrible peals of semi-human laughter." It is impossible for him to see his forests as newcomers still see them—

"A tattered host of eucalypt  
From whose gaunt uniform is made  
A ragged penury of shade."

The eye, no less than the mind, is prejudiced against the unaccustomed; and familiarity breeds more often tolerance and affection than contempt. An intelligent sojourner in New South Wales observed more than 100 years ago that to the colonial-born the gum trees seemed really beautiful. "I myself," he admitted, "so powerful is habit, begin to look upon them pleurably." Habit, interpreted and guided by a native school of painters, has taught the modern Australian to see in the gum tree "the haggard and exquisite symbol of Australian nationhood." A characteristic story of Henry Lawson's sketches the mixed crowd of travellers in a New Zealand coach, and among them a disgruntled Australian, who loudly decries his country: "Why, it's only a mongrel desert. . . . The worst dried-up, God-forsaken country I was ever in. . . . I was born there. That's the main thing I've got against the darned country. . . ." Why should he go back? But the road is skirting a plantation of gums, and the Australian sniffs—the unforgettable tang of gum leaves burning stings his nostrils as the

coach runs past a tramp crouched over a fire of twigs. He turns fiercely upon an Englishman who has mildly echoed his denigrations. He is going home.

There have existed cultures which are inseparable from the soil out of which they have sprung, which in their poetry and architecture and their adventures of thought and action seem but to intensify the rhythm and colour of a landscape. Without some sending down of roots, no community can live an individual life—there cannot, indeed, be a community. The roots sent down in Australian soil by the transplanted British have only here and there struck deep beneath the surface. The great mass of Australian writing is concerned with things of the surface, describing in song and short story the pouring out of the British over “the wide, brown country.” Recurrent in Australian poetry is a note of renunciation, sometimes regretful, sometimes defiant—

“The love that ivy-like around a homeland lingers,  
The soft embrace of breast and green, caressive fingers,  
We are too young to know. . . .”

—and a note of expectation, of waiting upon the future for an Australia which has not been known to the past—

“Yet she shall be as we, the Potter, mould,  
Altar or tomb as we aspire, despair,  
What wine we bring shall she, the chalice, hold,  
What word we write shall she, the script, declare. . . .”

Renunciation of the past; straining towards the future; restlessness in the present—the last of these themes is expressed most frequently in Australian fiction. There are, indeed, scarcely a dozen Australian novels which are worth preserving, yet of this small number a surprising proportion is preoccupied with individuals and families uprooted from England, and unacclimatised to

Australia. Richard Mahoney is a colonial in England and a restless, unhappy alien in Australia ; Nicholas Freydon (the most attractive and self-revealing of Australianate Englishmen) flits uneasily between two hemispheres ; and even the solidly established family of the Montforts hesitates between the old land and the new. "Australians," one of them declares, "should either go to England or forget that they came from there as quickly as possible."

The dissonances which literature has muffled or harmonised have sounded more stridently in politics, for politics do not admit the subtlety of semitones, and their major discords tend to drown all other sounds. It is possible to trace back to a very early period in Australian history the conflict between self-assertive native sentiment and a genuine or pretended Englishry. At a time when the money of convict Sydney was sadly inferior to sterling, a facetious military officer nicknamed the colonial-born population *Currency* ; and although the original stigma of this phrase was forgotten, Australians have always been quick to recognise or imagine an inflection of patronage in English references to the colonies. Characteristic resentment against an unjust implication of inferiority may be detected in an ironical protest of the colonial-born explorer, Hume, who presumed himself—"although an Australian"—capable of undertaking an important expedition. It must be remembered that throughout three generations the colonial-born population was in a minority ; the potential opposition between peoples was therefore transferred to Australian soil and interwoven with local conflicts of interest. This may be readily seen in an address to the Governor of New South Wales in 1826. His Excellency is reminded that there exists in the colony "a race of men, already arrived at

adult state, who, scattered in the distant and silent woods of their country, unknown, unfelt, and unheard as a political body, are yet destined to be the fathers of the succeeding generation." These men consider the land their "own, as it were, by natural inheritance," and resent the lavish bestowal of it upon "strangers." England may not hope to keep their loyalty unless they are treated as the equals of English emigrants.

Australian nationalism took definite form in the class struggle between the landless majority and the land-monopolising squatters. For the squatters and their allies were not, like the great mass of immigrant settlers and their children, compelled by circumstances to break their connections with England and accept Australia as their only home. They went to and fro from one hemisphere to another; often they ended their days in England, and sometimes they sent their sons to Oxford or Cambridge; behind them stood the powerful financial houses, controlled from London and controlling the economy of Australia; they were welcome at Government House, and met there officers of His Majesty's Navy and journalist-politicians who argued for Imperial federation. What more natural than that the democrat should jeer at Government House, pooh-pooh the navy, caricature Englishmen who said "Haw!" and declare himself an Australian Nationalist? Even before the gold-rush these oppositions had become visible: Wentworth had already discovered that he was "never a Radical, but always a Whig," and deemed it monstrous that the liberties he had vindicated for his "new Britannia in another world" should subserve interests other than those of the pastoral oligarchy to which he belonged. He was ready, when that oligarchy was inconvenienced by a shortage of labour, to reintroduce convicts or to

import coolies from Asia ; yet he resented the flooding of the colony by free Englishmen looking for gold, and "was firm in his conviction that the representation of the country should be based on, or proportioned to, not the mere population, but the great interests of the country. . . . Now, he contended that the pastoral interest . . . was incomparably the largest, the most important interest in the country, and he hoped it would continue so for ages." And he would have safeguarded this interest, not merely by securing its predominance in the elective house, but by creating a colonial peerage as a safeguard against the tyranny of numbers.

It would appear that those writers exaggerate who paint such attractive pictures of the affection and trust subsisting between gentle and simple in the old country ; for nothing is more evident than that the vulgar emigrants, having escaped from the gentry of England, vehemently resented the attempt of fortunate first-comers to establish themselves as a gentry in Australia. And, in resisting this attempt, they laid stress upon the difference, the uniqueness of Australia ; on their own difference, their own uniqueness, as Australians. Australian nationalism is the child of Australian democracy, and grew to be an untidy, vociferous urchin in that bitter period of democratic bluster and bungling over the land problem. For, despite Wentworth, "mere population" did gain political power, and used that power to snatch for itself a foothold in squatterdom. The squatters "dummied," bogus selectors of land blackmailed, genuine selectors struggled on their wretched holdings against drought and flood, and at last (Henry Lawson has told their story) sold out to the squatters and moved up and down the country shearing sheep, or drifted to the industrial suburbs of Melbourne and Sydney, to



become in the end converts of protectionism. Whether shearers or factory hands, they were devoted trade unionists, and enthusiastic members of the Labour party which arose in the nineties. Within that party it was impossible to disentangle the passions of class and of nationalism, so inextricably were they intertwined.

The truth of these observations might be abundantly illustrated from the pamphlets and newspapers of the two concluding decades of the nineteenth century. "Five-and-twenty years ago" remarks (in 1878) a visiting Englishman, "nine-tenths of the European inhabitants of Australia regarded the country as a camping-ground for money-making purposes, but now nine-tenths of them think of it as their home." This is natural enough, for, by 1881, 63 inhabitants out of every 100 are Australian born; the currency lads are no longer a touchy minority, but a confident, aggressive majority. There is a note of self-assurance in the very titles of their pamphlets: "AUSTRALIAN NATIONALISM: An Earnest Appeal to the Sons of Australia in Favour of Federation and Independence of the States of our Country. By Robert Thomson, a son of the soil, who fervently loves Australia, and whose highest ambition and aspiration is to be true to her and to serve her cause." Defiantly, this son of the soil accepts 1788 as "a date that will be classed in the world's history with the founding of Rome, the landing of the Pilgrim Fathers, or the storming of the Bastille. There will be but one greater day in our own Australia's annals, and that will be the anniversary of the Declaration of Independence." He would have his countrymen think that "all their hopes, desires, and aspirations are bound up with the interests of the Australian continent," and he denounces the attempt to waste these enthusiasms on

the illimitable plain of the British Empire. The extraordinary spectacle of “the rising tide of self-reliance on the broad breast of Young Australia” dazzles his patriotic eye. His fervour exactly illustrates the argument already advanced, that Australian nationalism was a product of the struggle of numbers against economic power allied with English connections, for his democracy and his patriotism are inseparably interwoven, and his quarrel with the wealthy is that they are, at least in spirit, absentees. “‘Australia for the Australians’ means that Australia should be devoted solely to those who are devoted to her.” For these authentic Australians he designs a national flag and composes a national song—“which may be sung to the tune of ‘Believe me, if all those endearing young charms.’”

It would, nevertheless, be erroneous to dismiss Australian nationalism as nothing more than an aspect of Australian democracy. Many streams helped to swell the flood, and though its colour and its vehemence derive directly from the source which we have examined, its essential origins do not lie within the limits of any separate class. It is possible to imagine a nationalism gradually developing from the old colonial society, uninterrupted by the upheaval of the gold-rush, proceeding by a gradual separation of English and colonial interests and affections, and directed (as happened in America) by substantial landowners and merchants. And, indeed, the conservative classes of Australia did in the main come into line, on the national issue, with the ardent radicals. They, too, were sending down roots in Australian soil, and were quick to resent the suggestion of patronage in the word *colonial*. To some extent they unconsciously took tone and colour from their political adversaries, unwittingly adopting their very phrases. Their children,

when first they visited England, were shocked at the poverty of London and the callousness of the rich towards the poor; and when they vaunted Australia's equality of opportunity and fair and reasonable conditions of living they were unconscious that their fathers had once distrusted these fine phrases as masking a subversive democracy. In Australia all but a few irreconcilables had ceased to think of democracy as subversive. As for nationalism, must the discussion of it be left entirely to "disreputable" papers like the *Sydney Bulletin*? Perfectly respectable organs such as the *Melbourne Review* opened their columns, not only to the arguments with which Sir Henry Parkes supported federation, but to the rejoinders of opponents who declared that it was "no use to hold up the *similacrum* of an Australian nation," and that the reality was to be achieved only by a complete severance from the British Empire.

Such bold pronouncements of independence did not ring quite true even in the eighties, when the *Bulletin* and the Australian Natives' Association were revelling in their strenuous youth. In the nineties, when the Commonwealth ceased to be a shadowy, exciting aspiration and began to take shape as a practical design, they almost died away. This, no doubt, was due in part to the sobering influence of conservative support on the ardours of Australian nationalism; but the explanation must go beyond personalities. The Australian colonies, after all, were self-determining communities so far as their economic and social affairs were concerned, and to all save the most bigoted it became apparent that England had no direct concern in their class conflicts. These must be fought out on Australian soil. And what sense was there in pretending to threaten and bully

for the sake of something that could be taken without fuss? As early as 1847 Earl Grey had suggested a scheme of federation, which the reluctant particularist colonies had hardly thought worth discussing. "I sometimes think," Lord Rosebery told a Sydney audience in 1883, "that when she (Great Britain) has launched her colonies on the ocean of constitutional government, she enters into the position of the hen we all know of that has hatched a brood of ducklings, much to her surprise, and having conducted them to a harmless pool, sees them swim away without being able to follow them." Since the Mother-Country was so placid and so impotent, what occasion was there for that mutinous defiance proper to adolescent, independent daughters? The posture of rebellion would be ridiculous. Since England applauded while Australia federated, Australia was content, while accepting the privileges of nationhood, to deny herself some heroics . . . and some responsibilities.

Moreover, incredible as it might appear to strangers, this community of transplanted Britons had already developed its own aggressive imperialism. "It is necessary to have been in Oceania," remarks André Seigfried, "to realise to what an extent neighbours seven to nine hundred miles away can be thought annoying." Dr. Lang resented the presence of the French in Tahiti as an impudent interference with Australia's mission of civilisation in the Pacific Ocean. Alfred Deakin warned England that the Australians had made the question of the New Hebrides their own, that a surrender to France on this issue would greatly weaken their confidence in the Empire, and that from this time forward Colonial policy must be considered Imperial policy. Sir Thomas McIlwraith, Premier of Queensland, idolised by the pas-

toralists as the one strong, sane politician among a crowd of shifty demagogic Socialists, claimed New Guinea (a country many times the size of England) as Australia's Isle of Wight, and was bitterly affronted when England's procrastination permitted Germany to disturb his dream of "a united Australia ruling the south seas." Despite their democratic idealism, the Australians were not pacifist; they dreamed of power. "An united Australia of such colossal proportions," declared Sir Henry Parkes, "would be a power from the day of its birth." Mr. Thomson, that son of the soil who watched the rising tide of self-reliance mount on the broad breast of Young Australia, proudly hoped that his country would one day be "the seat of a mighty empire under the banner of the Anglo-Saxon race."

Among the Australians pride of race counted for more than love of country. They exulted in the "process of consanguineous peopling of the land," in the crimson thread of kinship which ran through them all; and declared that the unity of Australia meant nothing if it did not imply a united race. Defining themselves as "independent Australian Britons" they believed each word essential and exact, but laid most stress upon the last. The *Bulletin*, which for nearly fifty years has been the most popular and influential mouthpiece of Australia's literary, economic, and political nationalism, has constantly boasted that the British race is better represented in Australia than in "cosmopolitan and nigger-infested England." It frequently occurs that those who are most intensely British have a special dislike for the English; they will not, for example, extend the same tolerance to an English "accent" as to a Scottish "dialect." Nevertheless, it is quite possible to be pro-British without being anti-English, and even the more radical

Australian Nationalists drifted towards this desirable anchorage. For England, even the England with a governing-class accent, was necessary to them. During the eighties they had protested that they would have no part nor lot in England's business in the East—"We ask for peace—peace, we shall hope, with honour, but peace on our own responsibility, not war on the responsibility of those who must be guided by very different considerations from those which ought to affect us." But was Australia utterly removed from England's business in the East? Facing her northern doors were vast reservoirs of yellow humanity, whose outpourings, if unchecked, would ruin what she held most precious—the economic and racial foundations of her homogeneous egalitarian society. The hotheads might boast that they would welcome a war with China—"So far from thinking a Chinese war would be a calamity to Australia, I fervently believe it would be the greatest blessing . . . there would be such an uprising of patriotism in Australia as has seldom been seen in Anglo-Saxon annals"—but would the hottest patriotism of the noblest Anglo-Saxon brew be sufficient for Australia's security? Some few Australians dreamed of a time when the English-speaking peoples throughout the world would be united in "one supreme confederacy"; but present needs called for something more substantial. Racialism was not enough. Australia was not protected by a long, open frontier and the Monroe Doctrine. Depending on the British Navy (and the British money market) she could not but throw in her lot unreservedly with the British Empire, of which, after all, England was the head and corner-stone.

Australians tried to ignore the non-British elements of that curious discrete community of communities to

which they belonged : they (so their leaders told them) were citizen subjects of the Empire ; whereas the Indians were only subject citizens. "The Empire," protested Deakin, "is great because it is British." To such an Empire, refashioned in the image of Australia, how easy it was to be loyal. Imperial patriotism became an extension of Australian nationalism ; and if, as Mr. W. M. Hughes declared in 1921, "We are a nation by the grace of God and the British Empire," there was yet an implied converse obvious to all Australians and satisfactory to their pride : "The British Empire exists by the grace of God and the British Dominions, of which we are not least."

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The argument of the preceding paragraphs seems clear, but it does not satisfy me. Politics and history deal with men in the mass, and achieve simplicity by discovering the least common multiple of a vast sum of intractable particulars. But men exist out of the mass as well as within it ; and sometimes obstinate particulars resent our formulæ and wreck them. Many of my fellow-countrymen will feel that there is no place in my arid generalisations for what they value most. Our fathers were homesick Englishmen, or Irishmen, or Scots ; and their sons, who have made themselves at home in a continent, have not yet forgotten those tiny islands in the North Sea. A country is a jealous mistress and patriotism is commonly an exclusive passion ; but it is not impossible for Australians, nourished by a glorious literature and haunted by old memories, to be in love with two soils.

## CHAPTER IV

### POLITICAL IDEAS AND SOME BASIC POLICIES

THE Australian soldier has frequently been admired for his personal independence and individual initiative. The Australian voter has been continually blamed for his lack of initiative and for his excessive dependence upon the State. Unless we are to assume that the fighters have not voted and the voters have not fought, we must seek some explanation of these contradictory reputations.

We shall exaggerate the importance of the inquiry if we imagine that the Australians have made very original discoveries in the science and art of government. The last few generations have witnessed in many countries noteworthy extensions of the functions of the State ; and the differences in Australian practice are differences, not of principle, but of degree. They are the product, not of theory, but of circumstances. New countries, observed Wakefield, demand "ample government." Consider the predicament of the pioneers : they are separated from each other by unheard-of distances which, somehow or other, must be bridged ; they are strangers to each other, and have broken every familiar association by their voyage across the sea ; no one of them is sufficient to himself, yet each is so isolated from his fellows and so engrossed in his struggles that effective local co-operation is impossible ; or, if co-operation is achieved in some favoured locality, there still remain the great gaps which separate this happy community from its neighbours. Collective action is indispensable if an



obstinate environment is to be mastered. But how can this scattered and shifting aggregate of uprooted units act collectively except through the State? They look to the Government to help them because they have nowhere else to look.

It may be objected that these general arguments are refuted by the experience of the United States of America; but the geographical conditions of the two countries are so different that any comparisons between them must be misleading. "Uncle Sam is rich enough to give us all a farm," sang the Americans, and their song calls up a picture of family holdings and the comfort of neighbourliness. From the time when the subsistence farmers of New England established themselves around their townships and worked so steadily outwards that the spreading fields of one community were checked by the spreading fields of another, until the time when trans-continental railways opened western lands to the small homesteader, America (although it may seem absurd to say so) has not been seriously troubled by the problem of distance. At least, not as Australians understand that problem. At the present time there is no doctor between Hawker and Port Darwin, a distance of 1,300 miles, and until the aeroplane came it might have taken an injured man a month of agonised travelling to reach an operating theatre. The greater part of Australia can only be opened for settlement (which, according to European standards, must be sparse settlement) by heavy initial expenditure. Who is to undertake it? About the middle of the nineteenth century there were some experiments in railway construction by private companies, but the conditions of Australia's economic geography made the land-grant railway, save in exceptional cases, an impossibility. English investors them-

selves insisted upon having the guarantee of the State. So Government remains responsible for communications. But, in Australia, drought is an enemy no less formidable than distance. Government interests itself in the storage and circulation of water. Perhaps it should have been content with this. But growing bureaucracies do not readily submit themselves to self-denying ordinances, and debtors, in their anxiety to push the income from their assets up to the level of the interest on their liabilities, sometimes incur new debts. Government, therefore, begins to place settlers on the lands which it has "developed." And the settlers, remembering that the Government has put them there, not infrequently imagine that it has in some way or other accepted an obligation to keep them there.

This sketch ignores or confuses the differences between pastoral and agricultural occupation of the land, and does no more than suggest the circumstances and the spirit of Government activity in pioneering. What of that majority of Australians who are not pioneers, who have tried and failed, or who have never tried? The dominant theme in Australian political history is the lament of an unsatisfied land-hunger. This theme swells angrily in the decades which follow the gold-rushes, when men who have been their own masters on the diggings fight for a farmer's independence and are driven back—partly by vested interests and bad laws, chiefly by forces of economics and geography, which have created the interests and which cannot be altered by the laws. Yet the defeated landless ones are not altogether inconsolable. They have, at any rate, possessed themselves of the State. Within ten years of the discovery of gold, practically the whole political programme of the Chartists is realised in the Australian

colonies. What class, what tradition is there in Australia which can hold the State against the assault of numbers? Numbers *are* the State, and thankfully accept those traditions of its omni-competence which were built up by the military autocrats of early days. Circumstances would not in any case permit a complete break with these traditions; to attempt such a break is the last thing which the landless majority desires. For if, as a judge of the Commonwealth Arbitration Court once suggested, the machinery of the State exists for the sake of the "divine average," then the majority, controlling this machinery, becomes, after all, a master class.

Thus Australian democracy has come to look upon the State as a vast public utility, whose duty it is to provide the greatest happiness for the greatest number. The results of this attitude have been defined as *le socialisme sans doctrines*. Its origins, however, are individualistic, deriving from the levelling tendency of migrations which have destroyed old ranks and relationships and scattered over wide lands a confused aggregate of individuals bound together by nothing save their powerful collectivity. Each of these individuals is a citizen, a fragment of the sovereign people; each of them is a subject who claims his rights—the right to work, the right to fair and reasonable conditions of living, the right to be happy—from the State and through the State. Some day, when Australian universities have assembled the dismal paraphernalia of sociological research, an energetic young graduate will produce a learned thesis in three volumes (with appendices) tracing the theory of rights from the first settlers, whose "democratical tendencies" were so obnoxious to autocratic Governors, through England's emigrant Chartists and Ireland's emigrant Liberators, to the fathers of the Aus-

tralian Labour movement, who showed how the right of association might be used to capture the State and transform all rights into powers. This will be one of those interesting yet irritating inquiries to which the answer is already known before the search for it has begun. The whole of Australian history lies within the period which succeeded the French Revolution and the Industrial Revolution, a period filled with a deafening clamour for rights and a few shrill protests about duties. In Australia the assertion of rights has been less a matter of theory than of instinct; nor has this instinct been peculiar to any one class.

To the Australian, the State means collective power at the service of individualistic "rights." Therefore he sees no opposition between his individualism and his reliance upon Government. Whether or not the two tendencies will exist together so comfortably when the frontiers are finally drawn, when occupation has slackened into settlement and the Australian begins to feel himself cramped for elbow-room, is another question. At the time when Australian democracy was elaborating its characteristic social policies, Australians still thought of their country as "an unlimited out-of-doors," as "the land of lots o' time." They wished to justify their peculiar freedom by demonstrating to the world that individual wretchedness was not a necessary feature of human society, that justice, which they understood as the recognition and satisfaction of the rightful claims of every individual, might be made the corner-stone of the State. Men more easily take in vain the name of justice than the name of God; yet the Australians who a generation ago appealed so frequently to justice did so in all sincerity. Interwoven with the egotistical assertion of rights was a disinterested enthusiasm, the aspiration of

young men and poets who preached as "The Golden Rule of Young Democracy"—

"That culture, joy, and goodness  
Be th' equal right of all;  
That Greed no more shall those oppress  
Who by the wayside fall."

Thus the angers of class struggle were softened by the mediation of those "tolerants" and enthusiasts of the middle classes who voted for Labour or the Deakin Liberals, and applauded when the State intervened to protect the weak, to annex industry as "a new province for law and order," to recognise rights. Intolerance of oppression and sympathy with the under-dog are among the most attractive features of the Australian character. And yet, is it not possible to exaggerate even these virtues? A dull fellow cannot really assert a right to culture; nor can the State satisfy a grumpy fellow's claim to joy. The passion for equal justice can so easily sour into a grudge against those who enjoy extraordinary gifts, and the aspiration for fraternity can so easily express itself by pulling down those lonely persons who are unable to fraternise with the crowd. The ideal of "mateship," which appeals very strongly to the ordinary good-hearted Australian, springs, not only from his eagerness to exalt the humble and meek, but also from his zeal to put down the mighty from their seat. If ever the ship of Australian democracy enters the calm waters of its millennium it will carry a fraternal but rather drab company of one-class passengers—

"But the curse of class distinctions from our shoulders shall  
be hurled  
An' the sense of Human Kinship revolutionise the world;  
There'll be higher education for the toilin', starvin' clown,  
An' the rich an' educated shall be educated down;

Then we all will meet amidships on this stout old earthly craft;

We'll be brothers, fore-'n'-aft!

Yes, an' sisters, fore-'n'-aft!

When the people work together, and there ain't no fore-'n'-aft."

This, then, is the prevailing ideology of Australian democracy—the sentiment of justice, the claim of right, the conception of equality, and the appeal to Government as the instrument of self-realisation. The ideology is simple; but the instrument is not. The fact that the Australians live in a federation complicates their politics, which in idea are extremely straightforward and unsophisticated. Australia frequently impresses the outside observer as being the most uniformly monotonous of continents, and the Australians impress him as being the most monotonously uniform of peoples. There may be no alligators in the Derwent and no platypuses in the Roper, no pineapples on the Tasmanian plateaux and no deciduous beeches on the plains of Queensland, yet everywhere the visiting geographer remarks a relative uniformity in "topography, climate, vegetation, animals, and people." He is astonished at a racial homogeneity unparalleled in the New World, and impressed by a continent-wide sameness of the social structure. The price-index numbers of total household expenditure show no provincial variation greater than 5 per cent. from the Commonwealth average, and this striking standardisation of material circumstances is emphasised by an equally striking standardisation of habits. The housewife, whether her iron-roofed kitchen is situated on the "polar front" of Southern Victoria or in the steaming coastal plains of Queensland, observes the same hours of labour, cooks the same stews and puddings, and goes shopping in the same fashion of hat. Despite all this,

provincial sentiment is still strong in Australia. The colonies whose pre-federation rivalries scattered Customs houses along their land frontiers and broke the unity of Australia's one great river-system by competitive railway building, still hold obstinately to the "sovereignty" proper to them as States. Western Australia is the only State which might without serious danger withdraw from the national economic system, but majorities in all the States are keenly conscious of their economic difficulties and sensitive to their economic grievances. The conservative classes, whose tactics are to divide and defend, cling to the States (the majority of which still retain bi-cameral Legislatures) as bulwarks of the producer's interest. The average citizen looks more frequently to the Government which sits in Melbourne or Adelaide than to the Government which sits in Canberra. It is this closer, more intimate Government which protects him from the wicked, educates him, watches over his health, develops roads and railways and water supplies so that he may find permanent employment as a farmer or temporary employment as a navvy, regulates his local trade conditions, inspects his factory—performs, in short, all those functions which seem to affect most nearly his economic and social well-being. Canberra itself is less a national capital than the monument of a compromise between jealous provincialisms. Even the radicals must accept and turn to the best advantage these facts which give meaning to Australian federalism. They hope, it is true, that federal sentiment is but a temporary stage in national growth. They preach unification. They would, if they could, stake everything on the issue of one struggle for the control of one Government. But, in the meantime, they exploit to the full the resources of six provincial Governments. Within the States (as will

appear in a later chapter) is to be found one very important expression of the Australian ideology. State Government is the instrument with which Australian democracy has fashioned its experimental socialism.

Control of the Federal Government is, nevertheless, the great prize of political struggle. Even in the first decade of the present century, when unification seemed utterly remote from practical possibilities, the radical forces of Australian democracy instinctively understood that the newly formed Federal Parliament must occupy the dominant position in Australian politics. It alone could guarantee the isolation necessary for those experiments which were to demonstrate to the world the possibility of social justice. It could restrict the entry of aliens; it could tax the entry of goods. Some day, perhaps, it might make itself the chief experimenter. In the meantime, every experiment which the Australians had initiated and every experiment which they hoped to begin depended upon something which only the Commonwealth could supply—a *cordon sanitaire*. Australian democracy already knew that it could survive only behind a ring-fence of immigration restriction. Gradually it came to believe that it needed a second ring-fence of fiscal protection.

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The policy of White Australia is the indispensable condition of every other Australian policy. Embodied in the Immigration Restriction Act, 1901-25, its intention and significance are exceedingly easy to understand once they have been freed from the rhetoric and special pleading in which they have been enveloped. During the debates of 1901, the rhetoricians declared that it would be unfair for "a nation of yesterday"



(China) to interfere with the destiny of the "noblest race upon this sphere" (the Australians). They even doubted whether some European nations, such as the Italians, were "civilised in the ordinary Australian sense." However, their immediate concern was with black men and yellow men—"the servile nations of the world." In legislating against the entry of such people, they knew themselves obedient to the will of God, who had set aside Australia "exclusively for a Southern empire—for a Southern nation." They knew also that they had the approval of science, whose laws, no less immutable than those of God, warned the races of this world that they might intermix only at their own dire peril. So convinced were these good legislators that the Most High spoke through them, that they would have engraved His laws—their laws—on tables of stone. Chamberlain had requested, at the Colonial Conference of 1897, that the colonies should clothe their legislation in "a form of words which will avoid hurting the feelings of any of Her Majesty's subjects." He had commended to them the method adopted by Natal, which had dissimulated a resolution to discriminate against Asiatics on the ground of race, by pretending to test their educational attainments. The rhetoricians denounced such diplomacy as "a hypocritical measure," "a backdoor method," "a crooked and dishonest evasion."

Fortunately, the majority of Australians were not rhetoricians, but practical people. The miners who had assailed Chinese fossickers on the diggings in the late fifties and early sixties of the nineteenth century had not pondered deeply over the teachings of God and science. And the responsible leaders of the Parliament of 1901 understood that, in this imperfect world, it is necessary to make concessions to expediency and common sense.

By insisting upon the expedient of the dictation test they read their people a lesson in international good manners, and achieved Australia's purpose without recklessly wounding the self-respect of other nations. Moreover, they had sufficient honesty and courage to understand and to confess that their legislation was founded, not on the special nobility of the Australian people, but on the obvious fact of its individuality, which was compounded not only of good qualities, but of bad. "I contend," declared Deakin, "that the Japanese need to be excluded because of their high abilities." Their very virtues would make them dangerous competitors. This is one aspect of the economic argument. But Deakin took his stand on higher ground: "The unity of Australia means nothing if it does not imply a united race. A united race means not only that its members can intermarry and associate without degradation on either side, but implies . . . a people possessing the same general cast of character, tone of thought, the same constitutional training and traditions."

Every honest exposition of the White Australia policy must start from this double argument of economic and racial necessity. Every justification of it is hypocrisy and cant if it does not admit that its basis is *salus populi suprema lex*. An influx of the labouring classes of Asia would inevitably disorganise Australia's economic and political life. The experience of Natal, of North America, of the Australian colonies themselves in pre-federation days, proves that labourers of different colours are seldom sufficiently meek to live side by side in human brotherhood. Always there is danger of a threefold demoralisation; demoralisation of the coolie over-driven by white capital, demoralisation of the poor white overwhelmed by coolie competition, demoralisation of

the half-breed children of coolie and poor white who can find no firm place in either of the competing civilisations. Reasonable Australians are determined that their country shall not know these evils. It is not a matter of pride, for they remember Australia's aborigines, and confess that they cannot trust themselves to be merciful and just in their dealings with a weaker people on their own soil. It is not merely a question of primitive fear, for they understand that racial war within a State is none the less hateful if one race does all the lynching. What they fear is not physical conquest by another race, but rather the internal decomposition and degradation of their own civilisation. They have gloried in their inheritance of free institutions, in their right to govern themselves and freely make their own destiny. But self-government, they know, becomes impossible when the inhabitants of a country do not agree upon essentials. No community can without great danger give a share of political power to aliens unable or unwilling to accept and defend what most it values. Every State must maintain its own *ēthos*, and Australians understand that even a successful tyranny over Orientals would destroy the character of their own democracy.

It is unreasonable for Australians to pretend that their policy is grounded upon loftier motives than these. The best that can be hoped from communities in issues which touch them most nearly is that their self-interest will be reasonably enlightened. Nations do not habitually sell all that they have and give to the poor, and White Australia is not (as the rhetoricians seem sometimes to suggest) a self-denial offering made to Asiatic and African brothers and to a world hungry for beef and mutton. Australians feel so intensely about this matter that they would willingly inflict grievous harm on other

peoples in their effort to protect themselves. But, in fact, one is genuinely puzzled to discover any material harm which their action had inflicted on any community outside Australia. Polynesians in their wild state never clamoured for admission to the Queensland sugar-fields ; they were pursued and rounded up and shipped to Australia by enterprising gentlemen called blackbirders. The great Eastern nations have never shown any inflexible determination to export coolies ; they seem generally to have been more interested in protecting their emigrant labourers from the oppressions of white capital. The Government of India has fought a strenuous battle within the Empire to win justice, not for subjects excluded from Australia, but for subjects attracted to Natal. It would indeed be folly to imagine that Australia's comparative immunity from external pressure must be eternal ; the contrast between her empty north and the crowded Orient which faces it is too striking to be ignored. It is, nevertheless, certain that the policy of White Australia (which, after all, has depended for its practical validity upon the guarantee of the British Empire) has been more readily reconcilable than any other alternative policy which it is possible to imagine, with goodwill among the members of the Empire, and friendly relations between the Empire and foreign Powers.

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The Australians have always asserted that immigration restriction is but the negative condition of a positive policy ; that White Australia—to use Deakin's phrase—means an Australia peopled by white citizens, and not white “merely because of the blank, unoccupied spaces on the map.” These blank, unoccupied spaces on the map seem both to accuse the policy of exclusion and to

endanger it. In their eagerness to stake their claim to a continent the Australians have made strenuous and sometimes very crude efforts to increase the quantity of their population. But, it must be confessed, they are more concerned with its quality. They would rather have a small and prosperous community than one which would be "a prey to all the abuses of industry." Outside observers have sometimes noted this preference and criticised it as an expression of "the parochial spirit extended to a continent." Yet it has its roots, not merely in self-interest, but in idealism. It is the natural fruit of Australia's mid-nineteenth century radicalism. Protesting Chartism became on Australian soil a protesting nationalism, fired with the passion to fashion a new community free from the hereditary oppressions of the Old World.

"Last sea-thing dredged by sailor Time from Space  
Are you a drift Sargasso, where the West  
In halcyon calm rebuilds her fatal nest?"

Australian democracy pictured itself as a vine brought out of Europe and dreamed of a time when its boughs would be like the goodly cedar tree. But the vine was still young and tender and must be encompassed with a hedge, lest the wild boar out of the woods (the capitalistic boar of Europe's industrial woods) should root it up.

The present chapter is concerned, not with the economics of Australian protectionism, but with its emotional and ideological flavour. When the Australian colonies federated in 1900, Victoria had for several decades been Protectionist, while New South Wales remained obstinately loyal to Free Trade. The partisans of Protection and of Free Trade pointed warning fingers at one or other of the rival colonies as exemplifying the horrible results of one or other of the rival policies. But

economic disputation did not decide Australian policy. Protection triumphed in Australia because it appealed irresistibly to the most ardent sentiments of Australian democracy and to the interests which lurked behind the sentiments. The history of Labour's conversion illustrates this. In the early days of the Commonwealth, the Labour party, playing the profitable game of "support in return for concessions," held the balance between the two older parties and refused to make up its mind upon the fiscal issue which divided them. But gradually it drifted towards the Protectionist side. Free Trade Labour men must have become uneasy during the debates on the Immigration Restriction Bill, which focussed their eyes upon the competitive strength of frugal Orientals. An outcry against trusts and dumping made them look for danger in another quarter. Finally, Deakin's invention of a device which seemed to give direct protection to wages, turned them from hesitating converts into ardent testifiers and missionaries. "The 'old' Protection," explained Deakin, "contented itself with making good wages possible. The 'new' Protection seeks to make them actual. . . . Having put the manufacturer into a position to pay good wages, it goes on to assure the public that he does pay them." In this way the economic doctrine of Protection adapted itself to the favourite ideas of Australian democracy. It offered a weapon of defence against that dangerous outside world which struggled for profit and cared nothing for Australia's adventurous quest of justice.

Deakin's New-Protectionist legislation asserted the principle that protection was due to those employers only who offered wages and conditions of labour which agreed with a standard of "fair and reasonable." The phrase has become the popular refrain of Australian

democracy, repeated incessantly in pleas and judicial decisions, in statutes, Parliamentary debates, trade union conferences, and platform orations. But how is it to be defined? What is fair for Hottentots may not be fair for Australians, and what is reasonable in 1907 may not be reasonable in 1927. The deduction of practical rules from so relative a principle must obviously depend upon special conditions of time and place. It is against the peculiar background of Australia's emptiness and isolation—emphasised by immigration restriction and a protective tariff—that the Australian experiment must be viewed. In addition, there are the peculiar complications resulting from Australian federalism. At the very beginning the neat fiscal devices designed by Deakin for the enforcing of New-Protection proved to be unconstitutional. Since then the Commonwealth Court of Conciliation and Arbitration, which has been entrusted with the task of defining "fair and reasonable," has pursued its arduous labours amidst the never-ending din of legal and political argument. All this makes it harder for politicians and lawyers to achieve results, and for historians to judge them. It does not, however, make it harder to perceive purposes. Amidst all the complications of Australian machinery, the guiding Australian ideas remain simple and clear. The Commonwealth Court of Conciliation and Arbitration wasted no time in giving a practical meaning to Deakin's "fair and reasonable." Mr. Justice Higgins, a man of outstanding character, whose work as President of the Court counts for a good deal in Australian history, interpreted "fair and reasonable" as "the normal needs of an average employé regarded as a human being in a civilised country." In a series of judgments he catalogued those needs. They included food, shelter, clothing, "frugal

comfort," "provision for evil days," a reasonable amount of leisure, security to marry and to rear a family of about three children—altogether a by no means negligibly extension of the rights of man. With the aid of figures, which roughly indicate the cost of living, the Court declared a wage adequate to satisfy these needs. Thus was created the Australian standard of a living wage, or basic wage, which is "the bedrock below which the Court cannot go," and serves as the basis from which are determined the economic variations of wages, such as the minimum wage in a particular industry or the margins allotted to skilled labour. The criterion of needs has been adopted throughout the whole continent. In South Australia, for example, the State Industrial Court is forbidden by statute to award less than a living wage, "whatever the consequences may be." Obviously, ethics have once again got entangled with economics. The Australian conception of "fair and reasonable" is ethical, like the mediæval idea of the just price. To those who object that such a standard may conflict with economic possibilities, the courts reply that Australia is "not quite so bankrupt in resources of material or of mind or of will" as to be unable to provide for workers "the bare necessities of life in a supposedly civilised community." The mediæval idea of concrete externalised justice here joins hands with modern optimism, which insists that man is in control of nature, and that he can make his life tolerable if he chooses to do so. Manufacturers must learn to seek economy through efficiency, rather than efficiency through parsimony; they must make economic facts conform to the idea of justice. If an industry is unable to achieve this, it must die—unless the State chooses to intervene in order to prolong its existence. With this saving clause



the argument completes its circle ; it has led back to Protection. Does this mean that the distinctive ethics of Australian democracy are dependent, after all, upon its distinctive economics ?

The Australians have always disliked scientific economics and (still more) scientific economists. They are fond of ideals and impatient of technique. Their sentiments quickly find phrases, and their phrases find prompt expression in policies. What the economists call "law" they call anarchy. The law which they understand is the positive law of the State—the democratic State which seeks social justice by the path of individual rights. The mechanism of international prices, which signals the world's need from one country to another and invites the nations to produce more of this commodity and less of that, belongs to an entirely different order. It knows no rights, but only necessities. The Australians have never felt disposed to submit to these necessities. They have insisted that their Governments must struggle to soften them or elude them or master them. In this way they have created an interesting system of political economy. It will be necessary to examine the chief features of this system, which embodies the dominating ideas and purposes of the Australian people.

PART II

POLITICAL ECONOMY

## CHAPTER V

### PROTECTION

PROTECTION in Australia has been more than a policy : it has been a faith and dogma. Its critics, during the second decade of the twentieth century, dwindled into a despised and detested sect suspected of nursing an anti-national heresy. For Protection is interwoven with almost every strand of Australia's democratic nationalism. It is a policy of power ; it professes to be a policy of plenty. It promises to the Australians, not only the industries which are necessary in time of war, but also the enjoyments which are desirable in time of peace. The very word appeals to them, because they believe in their hearts that both their enjoyments and their existence need to be protected against extraordinary dangers. Like the Englishmen of early Tudor days, they imagine that the poverty of their neighbours is a menace to themselves, and need but little persuasion to "cherish and defend themselves and hurt and grieve aliens for the commonweal." They believe that a high average standard of living for individuals must be the first aim and achievement of national energy, and are resolved to defend their sovereign purpose against the onslaughts of frugal and unscrupulous foreigners. There are economic onslaughts and there may be military onslaughts. Protection, they are convinced, is a bulwark against both.

Behind this national fervour there is the pressure of particular interests. These interests have to some extent created the fervour and to some extent exploited it. Among them must be reckoned the interest of the

Commonwealth Treasury. Despite the rapid growth of direct taxation during the war, half of the revenue from taxation which Australian Governments collect to-day comes from the Customs and Excise tariff of the Commonwealth. It is true that a considerable number of Customs duties aim openly and honestly at revenue, but there is also an unmeasured and very large return to the Treasury from duties which are intentionally, though clumsily, Protectionist. Thus the interest of the central Government has been in superficial accord with that of the industries which have come to it a-begging. The fervent community has encouraged its complaisance by applauding every deed of indiscriminate charity. Moreover, since the Commonwealth makes its customary levy upon the goods which flow to Australia as a result of the borrowings of private persons and State Governments, it reaps its most bountiful harvests in the periods of national extravagance.

With such unity of spirit subsisting between private interests, public opinion, and the Commonwealth Treasury, it is not surprising that the tariff has grown rapidly both outwards and upwards. A document prepared for the International Economic Conference of 1927 estimates the 1925 level of the Australian tariff as 145 per cent. of its 1913 level—an increase with which no other country can compete. But it is easier to illustrate the increase than to measure it. In August, 1928, the Australian Tariff Board reported: "The tariff wall is markedly rising. In the Customs tariff, 1908, there were only eight items which provided *ad valorem* duties of 40 per cent. or over. . . . In the existing Customs tariff there are 259 items or sub-items which provide *ad valorem* duties of 40 per cent. or over. . . ." It is necessary to know something of the

history of this expansion. The chief dates are : 1902, when the rival fiscal parties agreed upon a "compromise tariff"; 1908, when Deakin's Government, with the support of the Labour party, established a Protectionist tariff; and 1921, when the Hughes Government widely extended this tariff in order to safeguard industries which had sprung up under the natural protection enjoyed during the war, and to satisfy the ambitions of economic nationalism which the war had stimulated. In this year also was established the Tariff Board, a body intended to be representative of the chief economic interests of Australia. The Government hoped that this new authority would make the tariff "scientific" and "elastic." Elasticity was greatly desired because Australia was feeling the pressure of external competition, particularly from countries with depreciated currencies; science was demanded because some industries were complaining that they were burdened by the protection of others. The duties of the Tariff Board, as laid down by the Act of 1921 and succeeding Acts, were to advise Parliament on tariff business requiring legislation, and to advise the Minister of Trade and Customs on matters of administration. Advice has usually meant decision. In some matters the Minister cannot act legally without this advice; in others he is bound in practice to follow it. The Tariff Board has, in fact, wielded effective power in originating duties and deferring them and altering them and even (by classifying specified goods as "concession items") dispensing with them. It has, it is true, complained recently that Parliament does not always accept its advice when that advice is unpopular. It is, nevertheless, a body which makes decisions. It is at the very centre of Australia's Protectionist system.

Every system of tariff protection imposes costs in the hope of creating benefits which will outweigh the costs. The Tariff Board, in its earlier years, seemed only to see the benefits ; but, as it grew in experience, it began to insist upon the costs. In its earlier reports there was the stir of missionary ardour. The Board exhorted Australia to "foster" those industries which she had already established ; it proclaimed enthusiastically the "undoubted benefit that would accrue to the industrial community by the retention of the money now sent out of the country in payment of imports." It took credit to itself for interviewing "distinguished visitors, commercial and industrial leaders, and journalists from Great Britain," and for impressing on them the need of making their country so far Protectionist that it might grant preference to Australia's primary products. All this Australia applauded. But suddenly, in June, 1925, there came a perplexing change. The Tariff Board had perceived, not only rising duties, but rising costs. The apparently healthy steel industry had declared that it could no longer survive without increased protection. No sooner had it put forward its plea than the workers employed in it appealed to the wage-fixing authorities for their share of benefit. "In this way," complained the Board, "the benefits of Protection might be nullified and the system itself endangered." The report of the following year was positively alarmist. The Board still assumed that the price of labour was the predominant element in cost, and warned Australia that the custom of "passing back and forth between the Federal Arbitration Court and the Tariff Board for increments in wages and duties" must produce "an ever increasing wage rate and an ever ascending tariff." It declared that the burden of Australian costs had laid any and every

industry in the Commonwealth "open to the commercial attack from Continental countries." In face of these "onslaughts" the Board saw only one way of salvation—more protection and quicker protection. Believing that it could save the country, and that nobody else could, it called upon Parliament to "clothe the Prime Minister or the Minister for Trade and Customs with power to increase the general tariff rates to any extent found desirable after report and recommendation by the Tariff Board." Without some such heroic remedy, and without a change of heart in the industrial unions, it could see "nothing but economic disaster ahead." In the annual report of 1927 it painted a gloomy picture of soaring duties and stagnating industries, of a national policy going bankrupt, of a Protectionist system "failing to protect." Inspired by a kind of gloomy wisdom, the Board now understand that it was vain to blame greedy trade unionists and cunning foreigners for every misfortune and difficulty. The whole nation must bear the responsibility for the success or failure of the national policy. In a long homily on "The Abuse of Protection" it convicted of sin one class after another: urban trade unionists, who sought to grow fat at the expense of the rural worker; manufacturers, who squandered the benefits of Protection in profits and dividends when they should have been reducing prices and replacing obsolete plant; farmers, who would not understand that they were supposed to be the basis of the whole system, and were threatening its foundations by demanding that they, too, must be protected, "not merely from foreign countries, but from sister dominions." This piece of plain speaking concluded by reminding the Australians that they had given short shrift to the aborigines "on the plea that the white man could develop a high civilisation and make

better use of the country. . . .” What if other peoples should use the same argument against them?

By the following year the Tariff Board had to some extent recovered from this hysteria, and discussed in a more measured tone the inflation of Australian costs. While it insisted that these costs were not wholly due to Protection, it suggested that the Government might profitably fix a maximum limit for the protection which it was economically sound to grant to any industry. But it possessed neither the training nor the leisure to investigate the costs of the Protectionist system considered as a whole. In 1927 the Prime Minister appointed an “expert” committee to undertake that formidable task. The committee published its report in 1929.

While insisting that it has not been able to secure complete data, and that its calculations are only provisional, the committee estimates that the excess cost of that part of Australia’s production which enjoys tariff protection (about one-quarter of the total production) is 24 per cent. The money figure, excluding £3,000,000 which is estimated to be the real cost of the preferences granted to Great Britain, is £36,000,000. In an attempt to apportion the incidence of this cost among Australian industries, the committee eliminates £7,000,000 which falls on luxury expenditure and sticks there, and then allots £6,000,000 of burden to naturally sheltered industries, £10,000,000 to the protected industries, and £13,000,000 to the export industries. The naturally sheltered industries and the protected industries recover their costs in prices, or more than recover them. The export industries, being forced to sell in the world market, where the national State cannot adjust prices to its liking, recover nothing. The committee estimates that the tariff has raised Australian prices generally about 10 per cent. above what they



would be under a purely revenue tariff. The full burden of this excess cost falls on the export industries of wool and wheat and mining. But Australian prosperity and even Australian solvency depend upon these industries. For many years Australia has been borrowing from abroad sums of money which exceed the annual charge for interest upon her accumulated external debt. She has not been making present payment for all her imports. The time will come when her annual borrowings must grow smaller than her annual interest charges. This will force her to increase her exports. Obviously, it may become dangerous to pile the residuary irrevocable cost of Protection upon the export industries.

The outward thrust of the tariff is far more dangerous than its upward tendency. It is possible to argue strongly for Protection as a policy of power, whereby the nation decides that certain industries are essential and that it must protect them at any cost. This was the policy adopted by the Tudors and praised by Bacon. But it may be doubted whether it is possible in a democracy, where the State attempts a weak impartiality in distributing its favours, and concessions are wrung from it by partnerships of covetousness. Democratic politics, like international diplomacy, develop a theory of "compensations" under which the tariff elaborates itself. Under an extensive tariff one industry's protection becomes increasingly visible as another industry's cost; sooner or later that industry will be tempted to demand for itself protection, so that it may bear the cost. There tends to be a drift towards a position in which nearly all industries enjoy protection; but obviously, before this position has been reached, Protection will have ceased to protect. "The people of Australia," says the expert committee, "must soon face the question of how far this can go on. At

present almost every unsheltered industry is demanding assistance to meet the cost of assisting other industries, and each alleges that its difficulties are due to these costs. Reliance upon Government aid is increased, and discontent also, through real or supposed differences in benefits received. Clearly, we might reach the stage when the Government would be promoting each industry by taxing all the others, and the end in effect would be a perverted, expensive, and very unstable 'Free Trade.' "

It might have been expected that the primary industries which produce for export would have revolted against this system. Instead, the weaker of them have adopted the policy of the French nobleman, who declared, while the old monarchy went riotously bankrupt : " When others hold out their hands I hold out my hat." To grant protection is in Australia generally regarded, not as the conferring of a favour, but as the recognition of a right ; and what is due to one is due to all. If any industry is " entitled to a fair Australian price," then every industry is entitled to this price. This doctrine appears without any apology in the following Ministerial statement, which (one imagines) astounded the gathering of economists who listened to it :

" It is now generally accepted that, in a country where *wages* and the *prices of secondary industry products* are removed from the field of intense overseas competition by means of the Arbitration Court and the Customs tariff respectively, the dairyman is entitled to a fair Australian price, based on Australian living standards for that part of his output which is consumed by Australians, and that he should not be too rigidly governed by conditions ruling at the other end of the world. " <sup>1</sup>

<sup>1</sup> Hon. T. Paterson, *Economic Record*, Supplement, January, 1928.

The Minister who enunciated this doctrine has been very ingenious in applying it. The Australians have learned that it is more pleasant to dump than to be dumped upon. Ever since 1906 the Australians have, very properly, attempted to protect themselves against dumping, and have professed great abhorrence for that practice. But the extension of Protection has now forced them to adopt that same practice themselves. It is by dumping that they give the dairy farmer his "fair Australian price." They subsidise the entry of his butter into the world's market to the extent of  $4\frac{1}{2}$ d. per pound. A duty of 6d. per pound, which keeps New Zealand butter out of the Australian market, enables the butter industry to squeeze the necessary subsidy out of Australian consumers. The same methods prevail in other industries. Thus, in 1925-26, the Australians paid £27 per ton for their sugar, which was sold at £11 6s. in the world's markets. For their own dried fruits they paid £57 a ton, while Englishmen were buying them for £37 a ton. The discrepancy would have been still greater did not Great Britain contribute a preference of £7 a ton.

There is no logical end to this process. A community which seeks justice must seek impartial justice. If the dairyman has a right to be protected, the wheat farmer, when he finds himself in difficulties, has an equal right to be protected. In 1929 it seemed that the price which the world would offer for a bushel of wheat must fall below the average cost of producing a bushel in Australia. A movement began among wheat farmers for claiming their right to "a fair Australian price." Fortunately for Australia, a bad harvest in Canada improved the position of sellers. The agitation died down. But the misfortunes of the Canadians are an inadequate insurance for the Australians. Suppose that Canada had enjoyed a bumper

harvest ? Or suppose that the American farmers (who also were demanding a dumping scheme) had imposed their will upon Congress ? If either of these events had occurred, Australia's wheat industry might have become resolutely mendicant. But this is an economist's nightmare—of “Australia as one enormous sheep bestriding a bottomless pit, with statesman, lawyer, landlord, farmer, and factory hand all hanging desperately to the locks of its abundant fleece.” The fleece is indeed abundant ; it supplies more than one-quarter of the world's demand for wool and four-fifths of its demand for fine wool. But in this age of synthetic substitutes it is not certain that the world will continue to pay for wool the amount which Australia needs for the protection of all her mendicant industries. As a timely warning, the price of wool declined in 1929, almost to the extent of one-third.

So there are economic limits to the extension of Protection. Its logical extension may continue so long as the subsidies upon export do not extend to staple commodities, and so long as the prices of these commodities provide a large enough fund from which to draw the subsidies. The cost of Australia's sugar scheme is estimated to be £3,000,000 ; the cost of her butter scheme is estimated to be £4,000,000. Australia exports more than three-quarters of her production of dried fruits ; but since the total value of this production is comparatively small, the cost of subsidies for dumping is only a few hundred thousand pounds. In the careless days of high living and plain thinking there seemed no reason to be niggardly about these small sums. Even so the Australians became aware of some very inconvenient tendencies. The immediate effect of subsidising an industry is to remove or to mitigate the economic check upon its expansion. Margins are extended and the average cost of production

is raised, with the result that there is a continual clamour for increased subsidies. It has twice been necessary to raise the export bounty on butter. Sugar has demanded more drastic action. Imports of sugar are prohibited, and the extension of planting is controlled by Government through a system of compulsory licences. If there is any logical conclusion to the process, it is this. Yet Australia might avoid this conclusion if she could find some other community to carry her costs. With "adequate" preference the merry game might continue a long time yet. But this is a fantastic speculation.

When Australia's supply price for wheat rises or threatens to rise above the world's demand price, the economic check is in fact imposed. It has, indeed, been suggested that Australia might increase her population to such an extent that she could consume all her own wheat. Beyond mentioning the opinion of agricultural experts that her wheat production is already sufficient to provide bread and seed for a community of more than 20,000,000 people, it is unnecessary to consider this proposal except as promising material for an economic farce. (*First Citizen*: "What, sir, is your profession?" *Second Citizen*: "I am a mouth.") Wheat covers more than two-thirds of the cultivated area of Australia; the value of its annual production ranges over £40,000,000. Two-thirds of the production is exported; one-fifth to one-sixth is eaten at home; the rest is seed. The proportion of exported wheat to the total crop is not diminishing but increasing. The home consumer could not pay the sensationally increased price which would be necessary to raise by 5d. or 6d. the average price per bushel received by the grower. Australia could not carry this cost. Nor is she likely to persuade the world to accept her definition of a "fair price." Most of her customers are poorer than she

is ; and they, too, have their idea of a fair price. If they can get what they want from other sellers, Australia, for all they care, may go out of business. This is sad but true. There is no health in Australia unless she can maintain her competitive strength. An estimate of the committee which examined the tariff here becomes relevant. The farmer, if the burden of Protection were lifted from his shoulders, might hope to make an additional 7d. on every bushel of wheat which he produces.

The committee does not recommend that this burden should be lifted. It contents itself with suggesting that it might be reduced. It recognises " in the tariff as a whole, in spite of its undoubted extravagances, a potent instrument in maintaining at a given standard of living a larger population than would have otherwise been obtained." Assuming that the output of the industries which could not live without Protection has a value of £75,000,000, and that the cost of protecting them is £36,000,000, it inquires whether Australia would have been able under Free Trade to make good the difference between this production and this cost. Alternative production to the value of £47,000,000 would have been necessary, and the committee, after a rapid survey of Australian resources and world markets, concludes that Australia could never have achieved this. The committee does not examine the interesting possibility of subsidies to alternative production which would be comparable with the present costs of protection ; it is content to contrast the results of the existing system with the probable results of *laissez faire*. It considers that under Free Trade conditions the Australians might have enjoyed a higher real income per head of the population, but that there would have been a smaller population to enjoy it. It believes that the

benefits of the tariff have (taking the present population for granted) outweighed the costs. "But the benefits and the costs do not march together. As the tariff grows, the costs overtake the benefits, because the benefits have natural limits while the costs have not." In short, Protection has been profitable up to a point, but Australia has reached or passed that point. The medicine of the body economic should not be made its daily food. It might even pay the Commonwealth (tacitly admitting a property in protected interests) to compensate certain industries for the withdrawal of Protection; the committee says that there are industries whose products impose costs "as much as double of the wages and salaries paid in producing them." The practical problem, the committee pleads, is, not whether there should be Protection, but what limits should be set to it, and how these limits should be determined. It urges the critics of the report to confine their criticisms to these main issues.

This is too much to ask of economists. Politicians may be content with remedies, but economists must first be certain about their diagnosis. Before the committee had completed its investigations, Dr. Benham had already published his study of *The Prosperity of Australia*, in which he arrived at a very different diagnosis. He concluded that an Australian population no less numerous than that of to-day would have enjoyed, under Free Trade, a higher standard of living. It is possible that a majority of economists (if we can imagine them being called to a poll) would vote with Dr. Benham. The uninstructed layman may derive considerable pleasure from watching these professional contests, and may even applaud when either party makes a palpable hit; but he dare not offer himself as a referee. He cannot decide the issues which are in dispute; he can only feel

certainty about those matters which the contesting economists agree not to dispute.

All Australian economists endorse the warnings which the Tariff Board has uttered in recent years. All of them are agreed that the soaring costs of Protection are menacing Australian prosperity. The guardians of Australian orthodoxy have thought it necessary to refute these exasperating calculators ; but the great majority of Australians is unaware that there is anything to refute. The Australians are a good-tempered, open-handed people. They dislike refusing favours, and they do not count costs. Within a few months of the appearance of *The Australian Tariff*, they voted, by an overwhelming majority, for more Protection.



## CHAPTER VI

# THE SHIFTING BALANCE OF THE CONSTITUTION

### I. THE UNEQUAL INCIDENCE OF FEDERATION

THE six States which compose the Commonwealth of Australia differ from each other in the extent and variety of their natural resources, in their economic structure, and in their political strength. The three States of the eastern seaboard support more than five million of Australia's six and a half millions of people. The electorate of Kalgoorlie, in Western Australia, is ten times the size of the State of Victoria, which is about the same size as Great Britain. Victoria has twenty members in the House of Representatives, and New South Wales has twenty-eight; whereas Western Australia and Tasmania have only five members each—the minimum secured to them by the Constitution. A federal constitution assumes some measure of equality among its members, and the Constitution of the Commonwealth contains provisions which were destined to safeguard this equality. The outlying States complain that the safeguards have been inadequate. They do not deny the existence of natural inequalities, but they assert that Commonwealth policy has created new artificial inequalities which threaten the whole federal structure.

The problem of inequality is entangled with the problem of Protection. Those States which depend most on wool and wheat and minerals complain that "the

incidence of federation"—a newly coined phrase—falls most heavily upon them. "Twenty-five years ago we all boarded the good ship Commonwealth for a lifelong voyage, with the full assurance that there would be only one class for all the passengers. During the voyage we found, to our great surprise, that there were four classes. Victoria and New South Wales had secured all the saloon cabins, South Australia and Queensland the second class, little Tasmania was put in the steerage, whilst Western Australia was compelled to work in the fo'c'sle." While these rough fellows in the fo'c'sle are grumbling and threatening to leave the ship, the steerage passengers complain loudly of their horrible plight. They call for justice. Then another voice is heard. Somehow or other South Australia has got elbowed out from the second class. She is a lady in reduced circumstances, rather disdainful of the inferior orders among whom she is now thrust; genteel and querulous, she harps upon her wrongs. She does not threaten mutiny, like the rough sailors in the fo'c'sle, but she announces to the world at large that certain people feel "a spirit of resentment which may even endanger the federation." "South Australia cannot remain satisfied with a union which must steadily impoverish her people."

Between 1925 and 1928 the Commonwealth appointed special commissions, which investigated in turn the complaints of Western Australia, Tasmania, and South Australia. Round the heads of the first commission there gathered a cloud of witnesses who damned federation as "a disastrous experiment," "a very great mistake." The commission was forced to admit that the issue of secession "could not be dismissed with a sneer and a laugh." Its minority reported that Western Australia should never have joined the Commonwealth; that seces-

sion was the only satisfactory remedy for her "present disabilities"; that she should at any rate be permitted to retire from the Australian *zollverein* (in which she had been originally a tolerated late-comer) for twenty-five years. The majority recommended that she should receive a money compensation. Compensation for what? Western Australia is an economic island separated from her sister States by "a sea of solid ground." Her people assert that they have been subsidising through the tariff (in so far as it is protective) industrial development which is confined almost entirely to New South Wales and Victoria; for no sane manufacturer would set out to conquer the Australian market by building his factory in a remote State which has a bare third of the population of Sydney. The south-east of Australia has "a natural aptitude for protected industries"; the west has "a natural aptitude for unprotected industries." If Western Australians pay taxes which help Melbourne and Sydney to add to their factories, surely the people of Victoria and New South Wales should pay taxes which would help Western Australia to add to her farms? But, on the contrary, the Commonwealth has retarded Western Australia's economic progress in order that new factories might belch smoke over Sydney and new streets stretch out from Melbourne. The costs of the tariff fall not only upon private producers of wool and wheat and minerals but upon the Government of the State, which must build railways, store water, and provide credit in order to open up for settlement the wide territories for which it is responsible. It is true that these costs fall also upon other Australian Governments; but the cost to the Commonwealth is a small thing compared with its profit as tax-receiver, and New South Wales or Victoria more than recover their losses through an increase of population,

which reduces the overhead expenses of government. In New South Wales there are 412 inhabitants to share the cost of every mile of railway ; in Western Australia there are only 97. Yet railway building has been necessary ; it has enabled the State to absorb in wheat production the workless miners dropped by decaying Kalgoorlie ; it has enabled her to lead the Commonwealth in zealous immigration policies. Surely it is no less glorious to bring a million new acres under the plough than to add a few suburbs of Melbourne ? These Western Australians declare that they are doing a true national work. They declare also that this work is being hindered by a false national policy. They protest that they will hardly be able to continue the work unless they receive compensation for the burden imposed upon them by the policy. Their effort has cost them a burden of debt per head of their population which is almost double the average burden of the other Australian communities. Cannot their Government recover its losses by taxation ? Some day, perhaps, it will ; but for the present the taxes paid by new settlers hardly cover the cost of the social services which it is necessary to provide for them. The expansion of agriculture in Western Australia stimulates the growth of a manufacturing population beyond the borders of Western Australia. Once again it is the Commonwealth and the eastern States which gain. Western Australia has presented them with tens of thousands of citizens who pay taxes more than equal to the additional expense which they impose on Government services.

South Australia advances similar arguments, rather less fervently but more precisely. The burden of taxation per head of the South Australian population has grown till it is almost double the burden per head of the Victorian population. This is a scarecrow to industry and

investment. "Unless the inequality due to unequal incidence of the cost of development is rectified, States with large areas but small populations will be unable to pursue a policy of development and will cease to absorb migrants, whilst they may even find difficulty in providing for their own natural increase." This is exactly what has happened in Tasmania. From 1900 to 1920 half the natural increase of population in the island overflowed to the mainland; during the years which followed Tasmania lost all her natural increase, and more. Her population began actually to fall. And this, says Tasmania, is due largely to circumstances over which she had no control. It is "the incidence of federation."

Inequalities due to federation do exist, but it is difficult to measure them. It is indeed easy to see that the protection of sugar is a gift to Queensland. It is almost equally obvious that the protection of manufactures chiefly benefits Victoria and New South Wales, for in these two States the quantity of manufacturing production per head has increased since 1908 by about 50 per cent. and 40 per cent. respectively; whereas in South Australia and Queensland it has increased only by about 10 per cent., and in the other two States it has not increased at all. But the Commonwealth has always declined "to estimate in terms of money on a proper balance of account the alleged federal disabilities." Professors rush in where Commonwealth servants fear to tread. An interesting estimate undertaken by two Tasmanian economists (Professors Brigden and Giblin) give the following results :

SUBSIDIES AND COSTS ON ACCOUNT OF PROTECTED  
COMMODITIES, 1925-26 :

(In Pounds per Head of Population).

	N.S.W.	Vic.	Qld.	S. Aus.	W. Aus.	Tas.
Cost per head assuming an equal distribution ...	£ 6'34	£ 6'34	£ 6'34	£ 6'34	£ 6'34	£ 6'34
Subsidies per head ...	5'84	7'55	8'46	3'93	3'84	4'29
Excess of Subsidies ...	—	1'21	2'12	—	—	.
Excess of Costs ...	50	—	—	2'41	2'50	2'05

The authors of this estimate are aware that it makes the position of the outlying States appear better than it really is, since it assumes equality of costs for every State. Even so the unfavourable position of the outlying States is strikingly clear. A more ambitious attempt to assess the incidence of federation upon a particular State has led two South Australian economists to the conclusion that South Australia, if she seceded from the Commonwealth and undertook all the obligations which the Central Government now performs on her behalf, would benefit immediately to the extent of £1,000,000 per annum, and ultimately to the extent of £1,700,000 per annum.<sup>1</sup>

The authors of these calculations would admit that they are to a considerable degree speculative. Nor are they concerned with the politics of Australian federalism. The political problem is serious : there is danger of "log-rolling on a colossal scale." Section 96 of the Constitution permits the Federal Parliament to "grant financial assistance to any State on such terms and conditions as the Parliament shall think fit." But the Parliament, without expert aid, is not fitted to think on such difficult

<sup>1</sup> *The Economic Effects of Federation*, by L. G. Melville and J. W. Wainwright, Adelaide, 1929.

questions. The Constitution provided for an Interstate Commission, which (although not intended for this purpose) would have been admirably adapted to inform and advise Parliament; but, unfortunately, the Interstate Commission as constituted by Parliament was held by the High Court to be incapable of exercising the judicial powers deemed essential to its usefulness. So the Commission died. In its stead Parliament depends for information upon special commissions and special agitations. The aggrieved States are encouraged to believe that it pays them to weep and bully. The other States are prone to suspect their poor relations of blackmail and bribery. There is an urgent need to re-establish the Interstate Commission, or else to set up some other body fit to act in this matter as "the eyes and ears of Parliament." Otherwise, federal politics must become deeply infected with cynicism. Democracies, when they are enthusiastic, are often glorious and sometimes dangerous; when they become cynical they are repulsive.

## 2. THE POWER OF THE PURSE

The process of redressing the inequalities due to federation may increase those inequalities, for the Government which grants compensation may be tempted to grant it under conditions, and the Government which receives it may be forced into a position of dependency. The same tendencies may operate to the detriment of all the States of a federation, including even those who have been most favoured by Federal policy. Some States may have greater financial strength than others, and yet may find that their resources are inadequate for the performance of their allotted tasks. The predominant financial power of the Commonwealth has, in fact, enabled it to swing the balance of the Constitution

against the States, considered as a body. The framers of the Constitution seem hardly to have anticipated this. Ardent apostles of federation actually prophesied, in the late nineties, that a national Government would cost the Australian people no more than a yearly half-crown a head—"the price of registering a dog." But the Constitution set permanent limits to the financial power of the States, and only temporary limits to the financial power of the Commonwealth. It granted to the Commonwealth exclusive control of Customs and Excise, and concurrent rights of taxation in every other field worth harvesting. It flattered the States with the prospect of receiving the "surplus revenue" collected by the Commonwealth; but, in fact, it did no more than guarantee to them for ten years 75 per cent. of Customs and Excise revenue. When those ten years had passed, the States lay at the legal mercy of the Commonwealth. The Commonwealth has not been merciful. From 1910 to 1926, out of the proceeds of Customs and Excise, it returned annually to every State 25 shillings for every head of the State's population. This fixed *per capita* payment represented a diminishing proportion of the Customs and Excise which the Commonwealth was collecting.

*Customs and Excise Revenue  
received by South Australia  
as a Percentage of Total  
Customs and Excise Revenue  
collected in the State.*

*Per Cent.*

1901-1910	80
1910-1911	47
1926-1927	17

*Customs and Excise Revenue  
received by South Australia  
as a Percentage of Total  
Receipts of State from Taxa-  
tion and Commonwealth  
Grant.*

*Per Cent.*

62
48
17

(Compiled by L. G. Melville and W. J. Wainwright.)



The States might feel more confidence in the future if they did not have to fear the competition of the Commonwealth in the field of direct taxation. Every concurrent power of the Commonwealth Parliament is also a prior power, for when a law of a State is inconsistent with a law of the Commonwealth the latter prevails. This means in taxation that the Commonwealth (to quote its Crown Solicitor) gets "first cut." "If, for instance, the Commonwealth put a tax of 100 per cent. on income, there would be nothing left for the State to take; but as long as the Commonwealth confines itself to 99 per cent. the State can take the 1 per cent." Neither the Australian taxpayers nor the Australian States need fear such sensational brigandage. But they must reckon with a determination of the Commonwealth to make full use of its powers when the need arises. The Commonwealth first entered the field of direct taxation in 1910, when it imposed a land tax. Within the next seven years it imposed estate duties, an income tax, an entertainments tax, and a war-profits tax. Some of these taxes originated as war measures, but the war merely hurried on what was bound in any case to happen. All this is very serious for the States. Their income is disproportionate to their responsibilities. In attempting to perform their function of developing Australian lands and providing social services for the populations settled upon them, they have piled up uneconomic debts and deficits. The Commonwealth, on the other hand, passed merrily through the post-war decade, spending heavily on war debts, pensions, and the miscellaneous luxuries of national life, yet piling up fat surpluses.

The power of the purse consists, not only in the right to tax, but in the right to spend. The same people

chooses State Parliaments and the Commonwealth Parliament, and this people would not permit its legislators to ring Australia with forts and batteries while the country was crying out for roads. Defence is a Commonwealth power, but road-building (so it would appear from a perusal of the Constitution) lies within the province of the States. The Commonwealth, nevertheless, can initiate road policies. It has exercised the right of granting financial assistance to the States for this specific purpose. It has, in addition, assumed the possession of a still wider right. Section 81 of the Constitution lays it down that all moneys received by the Commonwealth shall form one consolidated fund to be appropriated "for the purposes of the Commonwealth." What are the purposes of the Commonwealth? Some eminent authorities assert that they are limited to the functions explicitly assigned to the Commonwealth by the Constitution. But the Commonwealth's law officers have taken a more generous view. The Commonwealth, they say, is more than a legislative body, more than a system of government; it is a community, of which every Australian citizen and every Australian State is a member. Parliament, therefore, may vote money for anything which is a purpose of this community. It has voted money for maternity bonuses: it could vote money for child endowment. It has voted money for roads: it could vote money (why not?) for railways. It could, in short, assume the effective direction of every function for which the States imagine themselves responsible. It could make itself everybody's fairy godmother. This is the meaning of a theory which hitherto has not been challenged in the courts. The States have good reason to fear the Commonwealth when it brings gifts. When it first granted money for roads, three States attempted

to refuse it. They said that the Commonwealth, in offering the gift, was exceeding its legal powers. But in the end they dared not refuse the gift. No community will permit its leaders to bolt the door against a fairy godmother. And yet there is something irresistibly amusing in the spectacle of a fairy godmother, a very benevolent fairy godmother, peering mournfully into an empty purse. Australia was favoured with this spectacle in 1928 and the years which followed, when Commonwealth treasurers, in their turn, knew the perplexities of an unbalanced Budget.

Before this calamity befell, the Commonwealth and the States had already argued their way to a compromise. The transactions of those years were not without their ironies. On the one hand stood the Commonwealth, so very lordly, devising new ways and means of diminishing its embarrassing surpluses, and professing a deep concern for "the dignity and stability of each of the States"; on the other side stood the States, trying so hard to feel dignified and stable, yet looking for all the world like a gathering of the genteel poor at a distribution of rations. Firmly fixed in the Commonwealth's mind was the naïve idea that it was "vicious" for one authority to raise money and another to spend it. Virtue, it told the States, compelled it to keep for itself all the money raised from Customs and Excise; in compensation it would consider a retirement from the field of income tax. From the genteel poor there came no cries of gratitude. Rather, they protested angrily that they were being put upon. They would agree to nothing. So the Commonwealth, persistently godly even though misunderstood, abolished the *per capita* payments from Customs—but postponed its renunciation of income tax. Soon it had the genteel poor gathered around

it again. And this time the Commonwealth Government showed financial statesmanship. From the gathering of June, 1927, came an agreement which had been foreshadowed, twenty years earlier, by proposals of Alfred Deakin. The Commonwealth agreed to take over all State debts, and for fifty-eight years to pay annually a contribution of more than seven and a half million sterling towards the interest upon them. This sum is equal to the *per capita* payments which the Commonwealth made to the States out of Customs revenue in 1926-27. The Commonwealth agreed also to join with the States in contributing to sinking funds for the extinction of existing and future debts. And henceforward both Commonwealth and States consented to renounce some of their irresponsibility as borrowers and to work through a single Loan Council.

The States accepted this compromise *faute de mieux*. The people of Australia ratified it in 1928. It has in it (we have no time to inquire how) the germ of new inequalities. For a time the States find themselves better off under the new arrangement than they were under the old. But the time is comparatively short. At the end of fifty-eight years the States will be receiving nothing more than 5s. per cent. as a contribution to sinking fund upon new debt. The arrangement has freed them from immediate apprehension of unification through finance. But, if we take a longer view, we see that the position remains as Deakin stated it so brilliantly in 1902. "As the power of the purse in Great Britain established by degrees the authority of the Commons," he then wrote, "so it will in Australia ultimately establish the authority of the Commonwealth. The rights of self-government of the States have been fondly supposed to be safeguarded by the Constitution. It has left them legally free, but

financially bound to the chariot-wheels of the Commonwealth. Their need will be its opportunity."

### 3. SOME TENDENCIES OF LEGAL INTERPRETATION

Even that legal freedom of which Deakin spoke so confidently has become sadly attenuated. The "sovereignty" on which the States have prided themselves is now manifestly bedraggled; indeed, the High Court has held that it would be mischievous and unfounded to ascribe sovereignty to States which can be sued in tort without their own consent. And yet it did seem at one time that the States might plausibly claim some of the attributes of sovereignty, for section 106 of the Constitution assured them that, "subject to this Constitution," their own pre-existing Constitutions would continue "as at the establishment of the Commonwealth"; and section 107 emphasised this guarantee by reserving to the States every power which was not explicitly surrendered to the Commonwealth or explicitly withdrawn from the States. The substantial meaning of section 107 seems to be identical with that of the tenth amendment, which has secured to the States of the American Union that reserve power, or "police" power, which enables them to retain control over property and industry. But the Australian States have learned in bitterness that "it is not always the residuary legatee who comes off best under a will. Sometimes the specific legatees take the bulk of the estate and leave him nothing but the debts."

The most striking demonstration of this truth is to be found in the history of industrial arbitration. The States did not explicitly surrender any of their power to control industry within their own boundaries. But section 51

of the Constitution empowered the Commonwealth Parliament "to make laws for the peace, order, and good government of the Commonwealth with respect to . . . (xxxv.) Conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State." The High Court has interpreted and re-interpreted almost every word of this clause, and from its labours there has emerged a situation which appears, to the layman, to be bewilderingly topsy-turvy. There is, first of all, the word *arbitration*. The High Court held originally that arbitration was a procedure *inter partes*; the Arbitration Court, therefore, had no power to declare a common rule. However, a succession of judgments has progressively modified this strict interpretation, with the result that the Arbitration Court may now regulate the industrial concerns of individuals who have not been cited in arbitration proceedings. "The absence of power to make a common rule is thus left without a supporting principle." In the second place, the idea of *dispute*, and of what constitutes the prevention of a dispute, has been impressively expansive. Early decisions upheld the point of view that it took more than a formal denial of a formal demand to constitute a dispute; but, as the result of later decisions, a dispute became little more than a means by which an industrial organisation could bring business into court. Simultaneously, the power to prevent and settle disputes grew into a power to impose upon industry regulations as minute and multitudinous as those of a mediæval guild. And, in the third place, there has been a most important interpretation of the phrase "*extending beyond the limits of any one State*." The framers of the Constitution assumed that only those industries which employed nomadic workers, such as sailors and

shearers, could be afflicted with disputes extending beyond the limits of a State ; but quite early in the life of the Commonwealth Arbitration Court the principle was established that any industry, even though its operations were confined to the limits of a country town, might enjoy a dispute extending beyond the limits of one State, provided that the workers in the industry made " common cause " with their fellow-workers across the border. The workers in many industries have done this with alacrity, for it may happen that they will get from the Commonwealth court what they have failed to get from their State court or their State Wages Board. In this way has originated the Australian system of a dual regulation of industry, and the Australian game of " playing off one court against the other." Capital and labour have learnt to fight a flying battle of legal shifts and dodges, chasing each other from court to court, elaborating a harassing tactic of quibble and obstructiveness and evasion. The spectacle of these manœuvres is unique ; one can see nothing quite like it in any other country of the world.

The States, naturally, have resented the competition of a Commonwealth authority. But they have had to accept more than competition. The Commonwealth Arbitration Court has become their master. It has, first of all, intervened between the State Governments and their servants. Until 1920 the States retained the power of deciding, in accordance with their own laws, what remuneration and what conditions of labour they would offer to their own employés. But in 1920 the decision of the High Court in the *Engineers' Case* transferred effective control in these matters to the Commonwealth Arbitration Court. Six years later this court became the overlord of State Parliaments. Until 1926 the State Parliaments had exer-

cised supreme legislative control over intra-State industry. But in that year the High Court decided, in the *44 Hours-Week Case*, that an award of the Commonwealth Arbitration Court could override the statute of a State Parliament. The decision cut at the very foundations of that self-government which the six members of the Federal body had enjoyed. And this implied a curtailment of the rights of self-government belonging to the Australian people, whether this people is considered as a community or as a *communitas communitatum*. For the Commonwealth power over industry which had been so signally exalted was not a parliamentary power. The ultimate authority over Australian industry now belonged to judges. The Commonwealth Parliament had created the Commonwealth Arbitration Court, but the creature was greater than its creator. Unless the Australian people desired to deprive their elected representatives of effective power over industry, they must do one of two things. Either they must treat the Commonwealth Arbitration Court as an over-mighty subject, and, by abasing it, restore to the State Parliaments legislative control over industry, or they must grant to the Commonwealth Parliament power to legislate "for the peace, order, and good government of the Commonwealth" with respect to industrial matters. Some day, perhaps, the Australians will decide to do one thing or the other. But in the years which followed the *44 Hours-Week Case* they knew not how to choose; conflicting exasperations twisted their thought and confused their will.

The foregoing is no more than a layman's sketch of the history of the arbitration power. Perhaps it betrays a layman's amazement at the devastating effects of judicial interpretation upon the balance of the Constitution, and a layman's inability to venerate where he does not under-



stand. Yet it is not difficult to comprehend the elements of those doctrines which have guided the High Court in its difficult task of interpreting the Constitution. The architects of the Constitution studied with great care the pre-existing framework of the United States of America ; the interpreters of the Constitution proved, in their early judgments, that they had studied the principles of America's constitutional law. In particular, they accepted those doctrines of "implied prohibitions" or "mutual non-interference" which Chief Justice Marshall had elaborated for the preservation of the federal pact. Underlying these doctrines there is the assumption that a Federal constitution, from its very nature, intends the survival and effective usefulness both of the original communities which have united in the federation and of the new community which their union has created. The duality of loyalties which exists under federalism does not (unless the federation is very ill-constructed) create serious difficulties for the private citizen. It is not hard for him to serve two masters. The problem of federalism is rather a problem of Governments. Unless the instrumentalities of the central Government are safeguarded from the interference of the local Governments, and the instrumentalities of the local Governments from the interference of the central Government, the authority either of the one or of the others will be obstructed and maimed. In its earlier judgments, therefore, the High Court drew "an area of immunity" round each of Australia's Governments. It assumed in the Constitution an implication that each grant of power to the Commonwealth must be interpreted subject to the principle that the State must be preserved. But in 1920, in the *Engineers' Case*, it announced that it would depend no more upon American authorities ("however illustrious") and upon their "im-

plied prohibitions." The Constitution was embodied in a statute of the Imperial Parliament, and its meaning must be ascertained by applying the known rules for interpreting statutes. "We must look to the words of the Constitution, look at the specific subject-matter of legislative power contained in the Constitution, and that power is subject to no limitations save those which can be found in the Constitution." This "natural" method of interpretation removed the chief legal obstacle which had hitherto delayed the advance of the central power. It coincided with a stricter interpretation of section 109, by which each advance became more definite and effective. This section provides that a State law shall be invalid when it is inconsistent with a Commonwealth law. The High Court held formerly that inconsistency and invalidity existed only when the citizen could not obey one law without disobeying the other. The present interpretation is stricter, and maintains in effect that "once the Commonwealth has entered a room, no one else can enter it."

#### 4. POLITICAL PRESSURES

The High Court protested, in the *Engineers' Case*, that it was not concerned with the possible abuse by the Commonwealth of the extensive powers which the Constitution entrusted to it. "The extravagant use of the granted powers in the working of the Constitution is a matter to be guarded against by the constituencies and not by the Courts." The essential strength of the central power lies in its financial predominance, and the essential check upon its exercise of financial sovereignty is the check imposed by political expediency and public opinion. It may be said generally that public opinion has shown in a negative but not in a positive manner its determination to defend "the might and majesty of the Federal Con-

stitution" (the phrase and its intention are Deakin's) against unificationist encroachments. What it has done is to reject, with persistent and sometimes indiscriminating obstinacy, proposed amendments of the Constitution designed to enlarge Commonwealth powers at the expense of State powers. What it has not done is to organise itself politically with the object of restraining the Commonwealth legislature. In truth, Australian public opinion (even that section of it which is disposed to favour "State rights") has only a fitful, ineffective interest in maintaining the Federal balance. Otherwise, it would have made better use of the Senate, which was designed for this very purpose. Each of the States is equally represented, as a single constituency, in the Senate; but Senators are chosen by the ordinary party machinery, and vote, almost invariably, in the ordinary party way. The Australian parties are divided by the industrial issue, and it is the economic struggle operating through politics which makes Parliament interesting to the great majority of voters. Indeed, there are some Australians who are genuinely alarmed lest the Commonwealth Parliament, having settled the great national issues of racial and fiscal policy and having guided Australia through the war, should begin to weary the electors through failing to express "the natural and healthy divisions of class feeling and class opinion." This alarm is unnecessary. The Commonwealth Parliament does express these natural and healthy divisions. But so do half a dozen State legislatures. To those who believe that "the unification of our social aspirations" transcends all geographical, economic, and mental diversities, this is a most illogical and exasperating dilution of political interest and energy. The Labour party, in particular, is pledged to work for a continent-wide political uniformity which will enforce a

continent-wide social uniformity. But it is to be noted that idealists and reformers of every stamp—philanthropic women's organisations, missionary societies, friends of the aborigines, prohibitionists, moral regenerators—are prone to be unificationists so far as their particular purpose or crank is concerned. They understand that it is easier to persuade or stampede one Parliament than it is to persuade or stampede six. Moreover, the Commonwealth is (by contrast) rich; and in these days the man with a noble purpose flies instinctively to the man with a deep purse.

The temptation to be philanthropic is very strong; it assails even the best of us. The Commonwealth is tempted, not only from without, but from within. It started its administrative career with a Governor-General, nine Ministers of the Crown, and a messenger-boy borrowed from Victoria; but it now supports a powerful bureaucracy with a vested interest in its own growth. Students of "actual government" declare that Australia would have enjoyed more efficient and economical administration if the Commonwealth had been more ready to work through State organisations, and less anxious to establish duplicate organisations of its own. Such self-restraint could hardly be expected from a Government which has great financial power; and Commonwealth officials now deal with miscellaneous matters like "development," herd-testing, housing—matters which State officials had imagined, in their simplicity, to be their concern. These State officials resent the advance of the Commonwealth bureaucracy, but they have not been able to stem it. Public opinion, even when it disapproves in theory of the drift towards unification, shows itself inclined to accept accomplished facts. In South Australia and Tasmania it is not uncommon to find among the same

people both a grievance against the central Government and an impatient weariness of the necessitous local Government. "Let us hand the whole business over to the Commonwealth," men sometimes say, "and have done with it."

In addition to these frontal pressures, some of the States have had to withstand attacks from the rear. Just as Western Australia may cry secession to frighten the Government in Canberra, so may aggrieved districts of New South Wales raise a bogie of "New States" to frighten the Government in Sydney. To attempt a reasonable criticism of the New States movement would take us too far from our present inquiry. In its extreme form of "Australia Subdivided" it manifests a grotesque ignorance or contempt of geographical realities. Even in northern New South Wales, where the case for a new State must be examined seriously, it has hitherto broken down before expert criticism, and particularly before expert financial criticism. Attempts have been made to give an Australian significance to the various local agitations by federating them in a common organisation with a common programme. This programme is smudged and vague, and must be so; for of those who subscribe to the programme some wish within their hearts that they were within the boundaries of a neighbouring State, while others, consciously or unconsciously, desire the unification of Australian Government with devolution of governmental privileges to local bodies. Between these two extremes there is a blur of divergent aspirations and interests. But whatever form the campaign for New States may take, it merges at last into the campaign for increased Commonwealth powers. It is essentially an invitation to the Commonwealth to curb the power of the States.

The forces of public opinion which make for unification are indeed formidable. But they have to struggle with opposing forces which make for decentralisation and diversity. In contrast with the racial and social uniformity which is met with over the whole Australian continent, there are areas of a marked economic individuality. These areas (although there are exceptions to prove the rule) correspond generally with State boundaries. In contrast with the United States of America, Australia has an inconsiderable volume of Interstate trade ; a glance at the railway map will show how the channels of trade run within the various State boundaries, up and down from the interior to the sea. A visitor to Australia who follows the usual route along the southern and up the eastern coast will not fail to mark definite areas of political outlook corresponding with these definite areas of economic activity ; he will indeed be unusually strong-minded if his judgment upon Australian problems does not change considerably as he changes his geographical location. It is, moreover, paradoxically true that the pressure of the national Government has itself intensified some diversities ; it has, for example, made the Western Australians more unlike the easterners (at least in their economic interests and ideas) than they would otherwise have been. Hence arises a counter-pressure. Even if it does not work directly through the Australian party system, it does nevertheless make itself felt. Those Western Australians do not threaten idly ; they would, in fact, secede rather than submit to a central Government exploiting remorselessly all the resources which it can legally command. But they are ready to compromise. And from compromise there begin to emerge new methods of government which belong neither to the old, carefully balanced federalism nor to a monstrously simple unification, but which are more elusive and perhaps more effective than either.

There has been a drift from Jeffersonian federalism, but it may not end in a Napoleonic centralisation. The tendency may rather be for the old rigid federalism to give way before a new flexible federalism. The needs of the Australian people may, perhaps, find satisfaction, without any radical amendment of the Constitution, merely by a shifting of political gravity and emphasis, by indirect pressure of the central authority, by co-operation and interpenetration and the creation of intermediate organisations between the various centres of activity. Chapter VIII. will describe some of these new organisations. Two may be mentioned here. In recent years the centralising tendency of the Commonwealth has to a large extent expressed itself in the centralisation of thought upon problems of economics and applied science and government. The States have not seriously resisted this tendency when it has embodied itself in institutions like the *Council for Scientific and Industrial Research* and the *Development and Migration Commission*. They have, on the whole, willingly and sometimes very usefully co-operated with these bodies. Nor is it without significance that a consultative body unknown to the Constitution, the Premiers' Conference, wrangled over the financial problem and in the end agreed upon a settlement which contains a renunciation of immediate power upon the part of the Commonwealth. The financial agreement of 1927 at least assured the States that they would not be starved to death during the next generation; and it created an economic institution, the *Loan Council*, intermediate between Commonwealth and States, and with a limited regulative power over both. The creation of these institutions seems to indicate a disposition of the Commonwealth to substitute influence for aggression, to be content with the indirect exercise of power, to distribute its new resources through the old channels.

The disposition of the Commonwealth, however, is apt to change with the rise and fall of the parties who control in turn the Government of the Commonwealth. The success of the Labour party in the elections of 1929 meant that indirect methods were out of favour, and that the unificationist spirit would have its turn. For the fifth time since 1911 the Australian people would have to vote *Yes* or *No* to proposed amendments of the Constitution granting to the Commonwealth Parliament effective powers over industry. Some day, perhaps, out of pure weariness, a majority of Australian citizens and of the Australian States will vote *Yes*. One wonders, nevertheless, whether this frontal attack upon State rights does not absorb a disproportionate amount of the national energy. For amidst the flowing currents of financial decision and economic interdependence the cumbersome four-square solidity of the old political sovereignties and their institutions may become as irrelevant and absurd as a Venetian galley in the middle of the Atlantic Ocean. Already in this modern world forces are at work which may be destined to make checks and balances and even omnipotent sovereigns no less obsolete than feudal emperors and prince-bishops. The tendencies of the age have always worked rapidly in Australia, for they have worked over a smooth surface where the past has left no historic obstacles to divert them or dam them back. Perhaps it is a tendency of the age, as well as of the place, which is undermining the old-fashioned ramparts of the Australian States.

NOTE.—This chapter was written before the Report of the Royal Commission on the Constitution published at the end of 1929; but it is largely based on a study of the evidence submitted to the Royal Commission.



## CHAPTER VII

### STATE SOCIALISM

THE importance of visible and immediate things is commonly exaggerated in political controversy and even in political study. In Australia, as in every other federation, constitutional problems are always visible and frequently immediate. Each Government is perpetually aware of the limits set to its power by the Constitution, and magnifies in its imagination the triumphs which it might achieve were those limits obliterated or narrowed. Every citizen, despite his obligation of a double loyalty, is tempted by his material interests and mental disposition to exalt the virtues of one Government or (perhaps this is more accurate) to magnify the vices of the other. It is easy to persuade a Western Australian farmer that his economic task would be simple if there were no "Commonwealth interference"; it is not difficult to persuade a Melbourne radical that "State rights" are the chief obstacle to social reform. It follows that many great political questions become entangled in constitutional wrangles. And this is a pity, for the most serious problems in Australia are not constitutional but political. This truth becomes evident when one reflects that the Commonwealth, the States, and the Commonwealth and States together—when, as in the Murray Valley, they co-operate in a definite task—all make the same economic mistakes for the same political reasons.

Perhaps it is a weakness of democracies that, having willed an end, they try to shuffle out of willing the means. The Australians, certainly, constantly confuse end and

means, and they do this because their easy-going good-nature and intellectual laziness make them reluctant to refuse favours, to count the cost, to discipline the policies which they have launched. These policies, therefore, yield diminishing returns, until at last they may become a positive danger to the national purpose which has called them into existence. We have already seen that the increasing costs of Protection are endangering the essential purpose of Protection. We shall observe the same tendencies at work in Australian State socialism.

State ownership and management of economic resources may be preferred to private ownership and management for two reasons : first, that the State, being more powerful than any person or group within it, may exploit and manage these resources more efficiently ; and, secondly, that the State, being the instrument of the sovereign people, may be expected to exercise its powers for the public good, whereas a private person or corporation enjoying the same powers might pursue selfish aims inconsistent with the public good. Social democracy, therefore, aims both at efficiency and at popular control. Can these two aims be reconciled ? Australians were compelled to realise, before the end of the nineteenth century, that they could not be reconciled through the old institutions. The combination of amateur and expert, of responsible Ministers and departmental officials, is adequate for the political management of the State. The permanent officials enjoy "status" ; and since they cannot be dismissed except by judgment of a public service tribunal, they need not fear the caprice of a Minister if their duty compels them to give him unpalatable advice. They cannot, on the other hand, defy the wishes of the sovereign people, for they must take their orders from a Minister who enjoys the confidence

of the representatives of the people. Such an arrangement is admirably suited for the conduct of foreign affairs, and it works well enough (provided one is not too idealistic) even as regards education, which in the Australian States is controlled by vast centralised departmental machines. Similarly, the agricultural departments, which are concerned chiefly with the collection and dissemination of knowledge, have achieved considerable success. But if the State is to manage its business undertakings successfully, popular control must make large concessions to technical efficiency. The management of a business undertaking must be given considerable powers over its staff (for example, the right to promote for merit and to dismiss for incompetence), and must be sheltered from the hurly-burly of politics. It is true that the Commonwealth, like the United Kingdom, controls its post-office by means of a Ministerial department; but three separate commissions of inquiry have recommended that the post-office should be handed over to an independent statutory authority. It is through this kind of instrumentality—through boards and commissions—that the Australian States have carried out their semi-socialistic ventures. Yet it still remains difficult to reconcile the two aims of efficiency and popular control. There are all sorts of boards and commissions, variously organised and enjoying various amounts of power. Some of them are elected, while others are nominated by the Crown; some are expert, while others are representative of different interests; some of them (the savings banks) are completely independent, while the great majority are in varying degrees dependent upon the Treasury and upon departmental Ministers. The Australians seem to have been vaguely conscious of an awkward dilemma: on the one hand, to achieve business success it would

seem to be necessary to observe business principles ; on the other hand, if State businesses are to be tied down by business principles, what particular advantage is there in running State businesses? In the last resort, Australian Parliaments and people have generally preferred the pleasures of democracy to the profits of business, and have been unwilling to surrender to boards and commissions the essentials of power.

Every student of Australian socialism must be deeply in the debt of Mr. F. W. Eggleston, who has for several years been collecting, with great industry and skill, a vast mass of facts relevant to this subject. The articles which Mr. Eggleston has contributed to various periodicals are no more than preliminary sketches for his exhaustive work, soon to be published, on *State Socialism in Victoria*. His aim has been to offer a realistic analysis of the actual working of State socialism, and he has confined his attention to Victoria because it is politically the most conservative of the States (it has had only two short experiences of a Labour Government), and therefore might reasonably be expected to have avoided the errors for which conservatives are always willing to upbraid social democracy. Let us consider some Victorian examples.

Victoria is more favoured in the matter of water-supply than any other of the mainland States ; but even in Victoria successful settlement depends largely upon the use made of the water which is available. There is plenty of water, but much of it runs gaily away in fast streams or else sullenly stagnates in swamps ; in one district water conservation is necessary ; in another district, drainage ; in another district, irrigation. But the problem of water-supply should not be attacked piecemeal, district by district. At the very least the unity of each river system

should be respected. Moreover, Victoria's experiences in the last two decades of the nineteenth century proved that no body less powerful than the State could secure a reasonable return for the huge expense incurred in storing and circulating water; for no body other than the State could impose charges on landowners proportionate to the amount of water which was made available to them, irrespective of whether they chose to use it or not. Therefore, by an Act of 1905, the Victorian Parliament, after sweeping away the old common law rights over water and laying down the principle that all water was the property of the Crown, established the State Rivers and Water Supply Board to administer this property. Mr. Eggleston gives a fascinating account of the achievements of this Board, and his narrative suggests vividly what pioneering means in the twentieth century. The organisation established by the Act of 1905 was—except in one essential particular—a strong one. The three commissioners who direct the enterprise are nominated for life, and can only be removed by addresses from both the Houses of Parliament; they control their own staff, for it is not subject to the public service acts, and they are generally free from political interference with their executive work. Mr. Eggleston, while admitting that only the technical expert is competent to judge the commission's technical work, is nevertheless persuaded that this work is of high quality, and declares that the commission is popular, despite the "ignorant and uncritical booming and ignorant and malevolent abuse" which it has received from time to time from a capricious Press. "Water-supply is a silent service"; there could be no higher praise than this. The weak point of the organisation is its complete lack of financial responsibility. Its finances are merged in the consoli-

dated revenue fund of the State. It is not allowed to raise its own loans, and it is not expected—it is not permitted—to meet its own obligations. The charges which the commission imposes do not suffice to cover the cost of the services it renders, and the deficiency—an increasing deficiency—is made up by the taxpayer. Thus, even this most impressive State enterprise illustrates the besetting weakness of Australian State socialism. In the last resort Parliament must be responsible; no ingenuity can avoid this necessity. Moreover, Parliament's responsibility has this definite economic advantage that the State can borrow money at cheaper rates than can any instrument of the State. But from this dependence upon Parliament there results an economic disadvantage—the confusion of politics and business. Just as the manufacturer thinks he has a right to "fair" protection, just as the labourer claims a right to a "fair" wage and the farmer to a "fair" price, so the settler on an irrigation block asserts his right to a "fair" (that is, an uneconomic) water rate. Yet (unless we are to accuse Mr. Eggleston of optimism) these Victorian settlers are less cynical in their appeal to justice than are some of their neighbours, who, having offered to pay an economic rate in order to get the water, will agitate for a "fair" rate as soon as public capital has been invested to bring the water to them. But perhaps the Australians have invented an improved rule of socialism? Perhaps the new practice of "service below cost price" has made the old ideal of "service at cost price" absurdly antediluvian?

Let us consider the railways, for upon them rests the economic structure of each one of the States. In 1927-28 nearly one-half of the existing public debt of the States had been incurred on their behalf. In that year

the deficits to which all the Australian railways confessed amounted to about £5,500,000. Yet in the three years prior to the war the railways had (at least in appearance) paid their way; they had even contributed to the various treasuries an aid of about £800,000. The difficulties of railways in post-war years, and particularly the difficulty of competing with road transport, are notorious all the world over. There are in addition peculiar conditions of economic geography with which the Australian railways have to struggle: railway miles per 1,000 of population are, for Great Britain, only .46; for the United States, 2.23; for New Zealand, 2.45; but for Australia they are 4.65. We must make generous allowance for these facts. They do not, however, suffice to explain the extraordinary railways crisis which Australia has had to face in recent years. For the three years ending 1924-25 the annual average loss of Australian railways was about £1,000,000. For the three years ending 1927-28 the average loss was more than £3,000,000 per annum, and each year it was rising steeply. Whereas before the war proportionately smaller increases of capital brought proportionately larger increases of income, after the war proportionately larger additions to capital produced proportionately smaller additions to income. Yet the Australians continued to make large additions to capital. Obviously, the new ideal of service below cost has found enthusiastic converts. It is worth while to examine rather closely the practical application of this ideal and its results in Victoria.

From the strictly technical and administrative point of view the Victorian railways are extremely efficient. The railways commissioners enjoy a seven years' tenure; they are fairly free from Ministerial caprice; and—despite the fact that the rights of different sections of

their employ  s are safeguarded by a medley of different authorities, by a special tribunal, by a Railways Classification Board, by the Federal Arbitration Court, by an assortment of Craft Wages Boards—the commissioners maintain reasonable control over their staff, and find ways and means of rewarding capacity. However, the consent of the Governor in Council is required for the creation of new offices, for alterations of salaries over £500, for the purchases of goods abroad, for contracts to be performed in one year involving more than £5,000, for Sunday trains, for the alterations of freights and fares. The commissioners have no authority to decide what new lines are to be built (that power belongs to Parliament, advised by a standing committee on railways) and no concern with the building of them. In compensation, they have no responsibility for their losses when they do not pay. They have, in fact, no real responsibility for losses of any kind. Being denied control over railway charges, they are compelled to incur losses. Railway finances are merged in the State's finances, and railway deficits are a large item in State deficits. Between 1914-15 and 1926-27 the Victorian railways showed a surplus in three years only. Within this period their annual working expenses rose from £4,261,903 to £10,518,277, and their annual interest charges from £1,767,807 to £3,287,277. The accumulated deficits of those thirteen years amounted to £4,593,366. These figures, which make a Victorian shudder, might perhaps cause a Queenslander to smile. But danger does not lie merely in the accumulated burden of losses. It is the accelerated rate of accumulation which is serious, and the apparent inability of any authority to apply a brake.

The great majority of electors have come to believe



that it would be ridiculous and reactionary to make the railways pay their way. It is not that they do not abuse the railways for incurring deficits. But they would resent the taking of resolute measures to wipe out these deficits. They expect a public utility to be useful to their individual and particular interests. Therefore they must be able to push it this way and that by their individual and particular pressures. And this is what they expect their politicians to do for them. When their politicians do it, and the financial results begin to be apparent, they abuse the politicians for being inefficient, or say that politics is a dirty business, or ask solemnly (if they belong to the class which attends Extension Lectures) why University men do not go into politics? Mr. Eggleston illustrates the fierce individualistic attack upon the common interest of railway efficiency by telling the story of a potato battle in Victoria. It is to the interest of the community as a whole that the railways should use large trucks; it is to the immediate interest of the potato grower (it may not be to his interest in the long run) that they should use small trucks. So a politician is thrust forward by his constituents to wreck the iniquitous large truck policy of the commissioners. And other politicians are thrust forward to insist that the commissioners buy goods made in Australia, even in Victoria, although it may be cheaper to buy elsewhere. And other politicians demand, in the sacred name of decentralisation, that work which can be done cheaply in Melbourne shall nevertheless be done expensively in some country town. And other politicians demand, in the name of the right to work, that the railways should employ more men than they have proper use for. . . . So, then, the railways become an instrument for subsidising "development," for promoting decentralisation, for protecting local industry, for

cherishing Naboth, for inaugurating the new social order. But this is confusion. The railways are not really an effective instrument for these assorted purposes. All these miscellaneous demands upon their good nature make it more difficult for them to fulfil their own essential purpose, which is to provide adequate transport for goods and passengers at the lowest possible cost. The confusion of aims imposed upon them accelerates the rise of cost. And the rise of cost brings them into contact with another and more general interest—that of the taxpayer. The politicians, who have taken orders from their constituents, have been afraid to tell the country what it has cost to carry out these orders. The acknowledged deficits do not tell the whole story of railway losses. Since the deficits must be met out of taxation, and since the community hates and rejects politicians who pile on taxes, the deficits have been made to appear smaller than they really are. The railways commissioners have been forbidden to provide for depreciation and obsolescence, or to establish a reserve fund, which is particularly necessary in a country where the railway revenues shrink sensationally in bad seasons, and in an age where railways have to adapt themselves to struggle with, or to adopt, new methods of transport. Yet depreciation does in fact take place, and equipment does in fact become obsolete, whether this is acknowledged in the ledger or whether it is not. If the bill is not met from year to year, some day it will be presented in a lump sum. Victoria might take notice that between 1923 and 1928 the neighbouring State of South Australia spent £11,444,192 of loan money on the rehabilitation of her railways, and, within the same period, sustained a loss of £1,500,000 upon them. "If the railways could be made to pay working expenses and

interest on their capital debt," reported (not altogether relevantly) the commission which investigated South Australia's disabilities under federation, "the financial problem of the State as it exists at present would be solved."

Mr. Eggleston says that the Victorians are destroying their State socialism by political sabotage. Mr. F. A. Bland, who has an impressive knowledge of the methods of administration in New South Wales and throughout the Commonwealth, says that the conflict between politics and administration is continuous and disastrous (*The Economic Record*, May, 1929). Two railway experts who were imported to investigate the New South Wales system in 1924 recommended that "the railway finance should be taken out of the control of the Treasury and vested in the commissioners, who would be responsible for their own loans, reserves, rates and charges, and general administration." But is this really possible? It is hard to see how Parliament, which in the last resort must tax the people to make good the railways losses, can completely surrender its financial control. It might perhaps be possible, by comparing the experience and experiments of other countries with those of Australia, to discover a just mean between the two principles of popular control and business efficiency. The Australians, certainly, have dangerously exalted the first at the expense of the second. Professor Splawn's study of *Government Ownership and Operation of the Railroads* (Macmillan, 1929) makes it clear that every country which has entrusted railways to its Government (Great Britain and the United States are the only two countries where the entire railway system is in private hands) has either been compelled to give a large measure of independence to the management, or, like Australia, has

suffered through refusing to admit this necessity. Yet how hard it is for a democracy to seek salvation through renunciation, and to pray (like any penitent despotism), "Lead us not into temptation" !

Since the State spreads its network of railways and water-channels to encourage production from the land, it has been tempted to go one step further, to assure itself that there will be this production, by buying the land, cutting it up, and settling the producers upon it. It would be profitable, if we had the time, to consider the schemes of closer settlement and soldier settlement on which Victoria has spent £34,000,000—a sum which is equal to about one-quarter of her public debt. But we must content ourselves with noticing some of the results. Mr. Eggleston estimates that the annual financial drift in soldier settlement alone is £600,000, and that the total loss will be not less than £8,000,000. At the same time, there has arisen a curious personal relationship between the settler and the State. The Government "habitually has more money in the farm than has the settler," with the result that the latter frequently becomes its "veritable child"—very frequently a discontented child; for the Government has told him what his land will grow, has fixed the size of his farm and the payments which he must make for it—and surely all this amounts to a kind of pledge that he will be able to meet his debts and make a living? Therefore the settler who is failing or who fears failure is tempted to raise the cry that he has been deceived. Very frequently he has been deceived. But the chances are that, the more he is himself to blame (and many of the schemes have appeared to be so generous that they have attracted men with no real enthusiasm or aptitude for farming), the more loudly will he blame the Government. The Government is only

too conscious that it has made mistakes, and has not the courage to be brutal. Nor can it afford to be magnificently generous. And so these land settlement ventures begin to slip down a sticky slope of benevolence and bad temper, of wrangling and wangling, into a bog of bankruptcy. Still, there is a visible result. If land settlement schemes have involved the State of Victoria in extraordinary losses, they have, at any rate, put on the land nearly 15,000 settlers—with their dependents about 50,000 souls. On the other hand, men are leaving the land more quickly than the Government can put them on it! There is, of course, no direct relation of cause and effect between these two movements of population. It may be that Government action has retarded the natural drift to the city. Yet we are tempted to inquire whether the State might not have achieved as much if it had been content, like a judicious conductor, to quicken the *tempo* of the economic harmonies—by taxing, by disseminating knowledge, by mobilising credit. It has chosen rather to be a leading performer in the piece: it has settled yeomen on their farms and planted peasants on their plots. Its energy has certainly influenced the distribution of the country population, but has it had any real effect upon its size? It is, surely, facts of another class—the progress of agricultural knowledge and invention, the growth of population, the demand of world markets—which will in the end determine the extent and character of country settlement.

Mr. Eggleston believes that the State should write off its land settlement losses and turn the whole concern over to a bank. The only safe method of financing land settlement, he says, is the banking one, which involves "the impartial and cold-blooded appraisal of risks." These conclusions will be lauded by the

individualists ; nor is there any reason why they should be unwelcome to realistic Socialists. The modern individualist justifies his faith by arguing that all free initiatives work together for the common good ; the modern Socialist declares that social control of individual interests is essential in the common interest. But the Australian tendency, as we have seen it expressing itself in these schemes of closer settlement, is to employ collective power to foster interests which are primarily individual. "This is my sort of socialism," an Australian Prime Minister once said ; but it is not the socialism which realistic people advocate nowadays in Europe. It is something more primitive. One thinks of Wentworth's description of Australian Governments—"indulgent nursing fathers." Perhaps it is a fraud to assert that there is such a thing as Australian socialism. It would be truer to speak of Australian paternalism.

These Australian experiments should be viewed against their own individual historical background—the background which has been sketched in the first part of this book. Without an understanding of Australian history, criticism must be intolerant and harsh. Australia, it is true, more than most countries, has need of economic criticism ; and yet the danger of this kind of criticism is that it should ignore the achievement or allow it to be taken for granted, while it concentrates attention upon the mistakes. It will be impossible wholly to avoid this danger in these chapters. And yet the reader would get a one-sided impression of Australia's political economy if he were not made to understand that there are some State businesses (especially in New South Wales) which are models of efficiency, and if he were not made to feel some excitement at the early triumphs of "service below cost." Many years ago the Western Australian Government

brought water across 400 miles of dry country to the mining town of Kalgoorlie; the venture never paid until the recent years of wheat expansion, but it transformed Western Australia from a derelict colony into a flourishing State. In truth, the Governments of Australia have been tempted by their own successes. In earlier days their economic adventures were frequently a matter of necessity. But they have continued to embark on these adventures while the conditions which made them necessary (particularly the conditions due to great distances) were disappearing. The action of the State has been carried forward by its own momentum, and many of its most daring experiments date from the twentieth century. Its most unfortunate experiments have occurred since the war.

It would be unjust not to make allowance for the material loss, the disorganisation, and the change in money values which, during the war and since its conclusion, have tested the wisdom of the Australians as they have tested the wisdom of other peoples. It would, for example, be not altogether unfair to separate soldier settlement from closer settlement, and to consider the former as part of the cost of the war—the payment of a war debt. But a people may show itself prudent or imprudent even in the paying of its debts. Nations cannot always expect fair weather; the strength or weakness of their policies is proved in times of difficulty.

Australian Governments, although they represent the collective wisdom of well-educated communities, have given evidence, in their economic ventures, of two particular weaknesses. The first is administrative. Since the State has insisted on tackling the most formidable of Australia's problems, one would have imagined that it would have eagerly sought after the most promising

Australian brains. Since its activities have been so extensively economic, one would have expected it to search for administrators capable of unravelling economic causes and imagining economic effects. But the Australians have always assumed that economic problems are simple, and have resented those classifications and rewards which suggest that some men have a higher class of intelligence than that of the majority. Democratic sentiment applauds the sound argument that every office boy should have a chance to become a manager, and perverts it into a practical rule that no one shall become a manager who has not been an office boy. Australian Governments insist generally upon the rule that everybody must enter the public service at the age of sixteen or thereabouts. At the same time, by means of an excellent system of scholarships, they cunningly entice the cleverest boys to the Universities. When they have been enticed thither, these boys discover (unless they have entered upon a strictly technical training) that there is nothing for them to do except teach. So they return to school and encourage other clever boys to win scholarships. In this way the State has most ingeniously contrived that its system of democratic education shall not embarrass the public services by introducing into them resplendent talents. There has, it is true, been considerable reform in recent years. Merit is gaining rapidly upon mere seniority. Yet it would be very easy to prove that the lack of trained economic forethought is responsible for some of the most costly failures of State enterprise in Australia.

The second weakness is more deep-seated. The failures of State paternalism have been due less frequently to the miscalculations of administrators than to the pressures put upon the administrators by the politicians, and upon the politicians by their constituents. We saw what kind of



pressures these were when we considered the administration of the railways and of closer settlement. Australian democracy has deliberately resolved that it will have no over-mighty subjects. But, in its fear and hatred of the strong, it has bared its walls to the destructive vandalism of the weak. Swarms of petty appetites attack the great common services for which the Government has made itself responsible. A multitude of fragmented interests assail the common interest. Defence is difficult, because there is no exact measure of financial failure: a host of scattered insolvencies can be hidden in the general solvency of the State. And who would have the courage to be close-fisted if he knew that the lash of bankruptcy could never fall across his shoulders? Since the railways are under no necessity to square their ledger, they become an instrument in the hands of politicians for squaring the electors. Under this system there is no promptitude in cutting losses, and no flexibility of readjustment after the losses have been incurred. This rigidity may be present in industries which are not Government owned. But a Government is particularly slow to confess that it has got into a bad business, for its mere entry into it has created vested interests which express themselves immediately in politics, and if it attempts to retrace its steps it is certain to arouse a fierce political agitation. So, very frequently, it throws good money after bad and hopes that something will turn up. In this way losses accumulate in a lump, and the crisis, when it comes, is likely to be prolonged and severe. The wretched Government has so many scraggy chickens, and when they come home to roost they all seem to come at the same time.

It is not the purpose of this chapter to preach any gospel of salvation. But it may be worth while to mention two contrasted suggestions for reform. The first sugges-

tion, which may be called the remedy of realistic socialism, comes from Mr. F. A. Bland. He seeks to reconcile the two aims of business efficiency and public control by means of representative boards. The great public utilities, he argues, cannot be efficient unless they enjoy financial autonomy, but "only when the authority is representative can we delegate financial autonomy with complete confidence." Mr. Bland therefore suggests that the great interests which are most closely affected by each State enterprise should appoint the autonomous commission which manages the enterprise. . . . It might, however, be difficult to decide what interests are "most closely affected." Moreover, it must be confessed that Australia's experience of representative boards has not been altogether encouraging. Nevertheless, the suggestion is attractive in its wide sweep; it is the vision of a social democracy "as realistic and flexible as the forces which it has to control"; of a disciplined State socialism, no longer attempting to direct intricate social processes from one centre, no longer a disintegrating but an integrating force in the community's life.

Mr. Eggleston's remedy is a realistic individualism. So long as State businesses are the property of the whole people, the representatives of the people—so Mr. Eggleston argues—cannot divest themselves of all responsibility. The owners of the property must have a guarantee that their property will be administered in their interest. Parliament, being ultimately responsible, must retain an ultimate right of interference. But Australian experience seems to prove the impossibility of setting effective limits to this right. So long as it remains politics will be blurred with business, and the great public utilities will be at the mercy of political bashi-bazouks. The strain upon citizenship is too severe. Mr. Eggleston sees no hope of salva-

ion except in a self-denying ordinance whereby the State will divest itself of its great possessions. Let it leave the ownership and management of them to others, and content itself with its ancient function of guardianship and oversight in the common weal.

We cannot presume to give a summary verdict in favour of one or other of these contrasted programmes. This is not a matter to be disposed of by amateurs in a few paragraphs. But let us straighten out the Australian confusion of ends and means. Sensible people say that a State should give up running businesses if it will not run them on business principles. Australian democracy has been taught to answer : " But our State stands for something higher than business principles. It stands for ethical principles." Herein lies the confusion. The end of the State is ethical—let us say " the good life " ; the end of the railways is economic—let us say " efficient service at cost price." The economic end of the railways is a means to the ethical end of the State. If this distinction is blurred, the railways become the prey of selfish interests snatching for advantages in the name of Justice ; and the State, perpetually vexed and tormented with problems of mere living, is not free to take thought of the good life.

Mr. Micawber might have expressed this truth more simply.

## CHAPTER VIII

### FILLING THE VAST OPEN SPACES

#### I. EMPIRE SETTLEMENT

ORATORY is dying ; a calculating age has stabbed it to the heart with innumerable dagger-thrusts of statistics. Yet, at a vision of the vast open spaces of the Empire, this stricken oratory stirs and stands, and prophesies, exhorts, denounces. Mankind loves oratory, and does not love statistics. But "the statistics prove" (they are assassins) that the generous simplicities of Imperial oratory are irrelevant to the complex task of filling the Empire's vast open spaces. All talk of Empire Settlement in Australia is meaningless unless at the outset it does justice to the following statistical facts.

1. The rate of increase of the Australian population has been, over a long period, higher than that of any other country in the world, with the exception of New Zealand. Assuming that it is a good thing for new countries to increase their population rapidly, does not Australia compare very favourably with Canada? Whereas, between 1881 and 1921, Canada gained on the average 18 persons a year for every 1,000 of her population, Australia, within the same period, gained 22 a year for every 1,000 of hers. During these four decades the Australian population increased 141·56 per cent., the Canadian 103·21 per cent.

2. The natural increase of Australia and New Zealand, owing to the low death-rate, is the highest in the world. Over a period of fifty-four years, starting from 1860,

76 per cent. of the growth of Australia's population was due to natural increase, and 24 per cent. was due to immigration. It seems reasonable to suppose that (other things being equal) a country with a high rate of natural increase has less room for immigrants than a country with a low rate of natural increase.

3. There have been in the past, and there will be in the future, fluctuations in the figures of net immigration. For example, during the three decades between 1860 and 1890 the annual growth of population by immigration was  $1\frac{1}{4}$  per cent. ; but in the two following decades Australia absorbed on the yearly average only one immigrant for every 1,000 of her population. Between 1901 and 1905 departures from Australia exceeded arrivals by 16,793 ; but at the close of the first decade of the twentieth century the tide of immigration had begun once again to run strongly. This pre-war acceleration may be illustrated from the figures of assisted immigration. In 1904 Australian Governments assisted 372 settlers ; in 1909 they assisted 9,820 ; in 1912 they assisted 16,712.

The briefest glance at Australia's history is sufficient to lift the problem of settlement above ephemeral enthusiasms, disappointments, and controversies. Australia has been compared to a boa-constrictor, for it has been her habit to bolt great meals of immigrants and then rest until she has digested them. She has not done this of deliberate purpose. The action of Governments has had some part in causing fluctuations in the rate of immigration ; but, generally speaking, Governments have adapted themselves to conditions over which they have had little conscious control. Despite a curiously prevalent opinion to the contrary, they have been more frequently distressed by their inability to increase the flow of new settlers than by domestic clamours bidding them to restrict

the flow. Their difficulties are well illustrated by the experience of the ten years following the war, during which increased applications of political enthusiasm and governmental activity issued at last in diminishing returns from immigration.

The "demand for quick government," which is one of the peculiarities of modern times, became insistent after the war, for in time of war individuals are powerless; Governments seem all-powerful. If Governments had sent and summoned from across the seas hundreds of thousands of men for the work of ruin in an old land, surely they might move as many for the work of building in new continents, for the settling of "millions of square miles of the richest lands of the earth"? During the war a scattered confederacy had known itself as a living Commonwealth and England as its heart. The idea grew, after the war, that the heart was congested with blood whose function it was to nourish lusty members. "The redistribution of the white population of the Empire in a manner most conducive to the development, strength, and stability of the whole"—here is a conception of the Empire as a single living organism. But, in strict fact, the British Commonwealth of Nations is nothing more than a co-operative confederacy. Its war-time unification ended with the war-time emergency; when peace came its scattered members were emphatic in asserting before the world that they had come of age as individual nations. Nevertheless, provided that they worked with England in equal partnership, the Dominions were anxious to admit and to satisfy the common need for a better distribution of the white population of the Empire. Australia, certainly, gladly seconded England's efforts, and established a formidable organisation.

In this organisation the States co-operate with the

Commonwealth, just as the Commonwealth co-operates with Great Britain. The British Government does not deal directly with the six State Governments of Australia, but only with the Commonwealth Government, which in 1920 took over from the States the responsibility of recruiting immigrants and shipping them to Australia. The general terms of British co-operation are laid down by the Empire Settlement Act of 1922, which authorises the British Government to contribute by grant or loan towards the cost of transporting and settling migrants; its contributions are limited to one-half of the expenditure incurred and to a period of fifteen years. The British Government has used the powers granted to it by this Act in two ways. First, it has borne with the Commonwealth Government an equal share in the cost of assisted passages for migrants—a cost which varies according to the class and age of the migrant who is assisted. Secondly, it has contributed towards the cost of "agreed schemes" of land settlement. The methods of this co-operation may best be illustrated by the £34,000,000 Agreement of 1925. This Agreement provides for joint Commonwealth and British subsidies towards the cost of loans issued by the Commonwealth on behalf of any State. Assuming that the whole amount of £34,000,000 were issued, the joint subsidies would amount to approximately £12,500,000. A State receiving money under the Agreement pays interest, for the first five years, at the rate of 1 per cent. per annum; for the following five years it pays at one-third of the rate paid by the Commonwealth; thereafter it will pay at the same rate as the Commonwealth. It goes almost without saying that no State may profit from the generosity of the contributing Governments until these Governments have approved of its plans for

spending the money. If it proposes to spend the money on developmental works designed to increase its general capacity to absorb population, it must pledge itself to absorb one immigrant for every £75 which it receives. If it proposes to invest the money in a specific scheme of land settlement, it pledges itself to settle on the land one British family (of four persons) for every £1,500 which it receives. This latter obligation represents a modification of the original optimistic estimate of £1,000 as the cost of settling a family of five persons.

Australia has laboured to make this partnership a success. In May, 1926, the Australian Prime Minister announced his intention of creating a special commission to handle the problems of development and migration. "These two problems," he declared, "are linked together inseparably. We cannot develop unless we have more population, and we cannot absorb more migrants unless we develop." The Development and Migration Commission was designed to take charge of the machinery of migration, and to advise the Commonwealth Government whether or not it should approve of the schemes submitted to it, under the £34,000,000 Agreement, by the State Governments. It was also expected to serve as a "national clearing-house for all ideas and schemes bearing upon economic development," in order to "ensure the best utilisation of our resources and the most rapid and effective way of dealing with them." In origin, therefore, it was an institution designed to satisfy the demand for quick government in the matter of migration.

Governments have done their utmost to pump population into the vast open spaces of Australia. If the flow of population has dwindled, it is not through lack of administrative machinery, or of a resolute intention to



make the machinery work. It was their consciousness of virtuous endeavour which, in 1928, encouraged the Australians to repudiate with scandalised indignation the insinuations against their goodwill which appeared in the report of Great Britain's Industrial Transference Board, or, to be just, which appeared in the journalistic roaring (both clerical and lay) with which the report was greeted.

England seemed to be complaining that miners who saw their only salvation in migration were "confronted with a stone wall in Canada and barbed-wire entanglements in Australia." That was unjust. It seemed that the Dominions were accused of showing an unnatural preference for immigrants of foreign blood. That was monstrously untrue. At this very time the sentiment of racial exclusiveness was elaborating a new interpretation of White Australia, according to which all the peoples of Southern Europe were "a semi-coloured race." Newspaper demagogues were preaching this original doctrine under headlines so offensive and so crude that it would be indecent and injudicious to quote them. Now all this fury was aroused by an immigration of Italians which, when it reached its highest level, was just a fraction larger than one-twelfth of the volume of British immigration. (In 1927, 7,784 Italians and 93,352 British arrived in Australia; the net immigration of that year was 48,924.) But this did not prevent an ex-Prime Minister of Australia from attacking at a party congress the pusillanimity of the Government to which he gave his erratic support, and demanding whether Australia belonged to the Australians or to Signor Mussolini! In fact, the Australian Government had already entered into negotiations with Signor Mussolini (who at the time was exerting himself to keep would-be emigrants at

home), with the result that for 1928 the quota of Italian arrivals was fixed at 3,000. Similar arrangements were made with the Governments of other States of Southern Europe. And, in reserve, the Commonwealth held a formidable legislative weapon, the Immigration Act of 1925. This Act enabled the Governor-General to prohibit by proclamation the entry of aliens "of any specified nationality, race, class, or occupation" if he should deem it desirable to do so because of the economic conditions prevailing in the Commonwealth, or because, in his opinion, the persons specified were "unsuitable for admission into the Commonwealth" or "unlikely to become readily assimilated or to assume the duties and responsibilities of Australian citizenship within a reasonable space of time." It is true that there has not yet been any need for the Commonwealth Government to use these extraordinary powers, but popular opinion would force it to use them if there were any real danger of Australia's "ninety-eight per cent. British" nationality becoming diluted. There is, it is true, a small minority of Australians which does not contemplate with Nordic glee these elaborate precautions against Mediterranean penetration. They believe that the Italians can do valuable work in Australia (particularly in tropical Australia), and perhaps some of them would welcome a few Latin plums in the solid lump of Anglo-Saxon dough. But this, it is to be feared, is a blot on their Australian patriotism. When a lecturer uses the phrase "ninety-eight per cent. British," intending to admonish, the audience, to his dismay, begins to cheer.

It will be admitted that the Australians had cause to resent the insinuation that they cherished foreigners more than their own kith and kin. But there are other sections of the report of the Industrial Transference

Board, referring to British migration to Australia, which demand a more careful examination. The results achieved by much oratory and organisation have indeed been disappointing. In the three best consecutive pre-war years (1911-13), when Australia was spending borrowed money at the rate of about £20,000,000 a year, the increase of population by net immigration was 207,816. In the three best post-war years (1925-27), when Australia was spending borrowed money at the rate of about £40,000,000 a year, the increase of population by net immigration was only 128,501, or 61 per cent. of the former figure. In 1928 the net immigration was only 27,352. In the early months of 1929 there was actually an excess of departures over arrivals; before the year ended the Australian Government had suspended assisted immigration altogether. The Industrial Transference Board had prepared and published its report long before the great effort had ended in this dismal collapse, but even by 1927 the failure of post-war hopes was already apparent. The report quite correctly placed upon the shoulders of the State Governments a considerable burden of immediate responsibility for this failure. Assisted passages fall into two groups—"nominations" and "requisitions." Any responsible citizen in Australia may "nominate" a candidate for an assisted passage, on condition that he undertakes responsibility for him when he arrives. There are no restrictions concerning the occupation of a "nominee." "Requisitions," on the other hand, are made by the State Governments, and are generally limited to workers on the land and to domestic servants. The Industrial Transference Board pointed out that, while nominations had been increasing, requisitions had been diminishing.

		<i>Nominations.</i>	<i>Requisitions.</i>	<i>Total.</i>
1923	...	9,560	15,497	25,057
1924	...	12,062	12,328	24,390
1925	...	13,831	9,624	23,455
1926	...	25,103	8,595	33,698
1927	...	23,272	6,669	29,941

It must be admitted that the shrinking figures for requisitions indicate a sorry conclusion to the intense propaganda which the Commonwealth has undertaken in England on behalf of the States. Englishmen who have been cramped for room and opportunities at home are encouraged to think that there is room and hope for them in Australia ; they have been told that they will be assisted to travel thither, not out of charity, but because they are needed ; and when at last they apply for this assistance, they are only too likely to find that they are not wanted. The Australians may well consider whether the system they have adopted may not in the end be damaging to themselves as well as unjust to the victims of their capriciousness. But their capriciousness of conduct is not (as the Industrial Transference Board appeared to think) a capriciousness of intention. It is true that Australian opinion on immigration is divided ; that the moneyed classes have on the whole an ill-reasoned enthusiasm for it, and that the labouring classes tend to view it with an ill-reasoned suspicion. It is true that a newly established Labour Government suspended assisted migration in November, 1929. Yet it has happened more than once that immigration has flowed most freely into Australia when Labour Governments have held power in the Commonwealth, or in a majority of the States, or in both. Fluctuations in the rate of immigration have very little to do with fluctuations in the for-

tunes of Australia's political parties. The waxing and waning of propaganda for or against immigration has little effect upon its flow, but is a product of causes which have already begun to influence that flow. It is these causes which we must seek.

## 2. MEN, MONEY, AND MARKETS

"The greatest problem of the Empire," said Mr. Bruce at the Imperial Conference of 1926, "is one that I put into three words—men, money, and markets." The idea behind the phrase is sound enough so far as it goes; it is, indeed, surprisingly easy to enunciate correct ideas. Difficulties arise (as the Wakefield colonisers discovered a century ago and we are discovering now) when the time comes to work out the implications of these ideas and express them in practical policies. When Mr. Bruce spoke of markets, he seems to have been thinking particularly of protected markets. He was hoping for English preferences which would compensate for the competitive weakness of some branches of Australian production. It is true that Great Britain could, if she would, guarantee a safe market for many Australian products, and that this guarantee would enable Australia, temporarily at least, to absorb more British immigrants. But it is not necessarily true that this method of redistributing the Empire's white population would be "conducive to the development, strength, and stability of the whole." Here is a much-debated question of English policy on which it would be indiscreet for an Australian to express a judgment. So far as Australia is concerned, something has already been said, in the chapter on Protection, of the widely held and flattering notion that every badly planned industry has a right to a "fair"

price for its products. There is danger in this word "markets" if it conceals a design to pass on Australian costs instead of developing the competitive strength of Australian production.

There is also danger in the word "money." When Mr. Bruce spoke of money he meant borrowed money. The programme of development (on which migration is said to depend) is also a programme of borrowing. When a Government borrows money it shoulders a burden, which is apparent in interest charges, and anticipates a benefit in the form of an addition to its productive power. "Money," therefore, or "development," may be expected to stimulate migration only if the benefit outweighs the burden. If the burden outweighs the benefit, money will not, in the long run, bring men, nor will development promote migration. The importance of these propositions is sufficient to justify some digression into the history of Government borrowing in Australia.

The first public loan raised by an Australian Government was raised in the forties of last century for the purpose of promoting immigration to New South Wales. But the history of Australia's public debt really commences with self-government and the railway age. By 1871 Australian Governments had borrowed £30,000,000. Between 1871 and 1881 they borrowed £36,000,000. In the next decade they borrowed £90,000,000. Then followed a slump, for which their borrowing was in some measure responsible. At the time of federation the total debts of Australian Governments amounted to £203·5 millions. By 1927 their total debts exceeded £1,000 millions. It is therefore obvious that the Governments of Australia have incurred the greater part of their debt within the present century. The burden of debt per head of the population was £53 13s. 11d. in June of 1901,

and £169 4s. 8d. in June of 1927. If we make allowance for the changes in the price level, this amounts to an increase of about 70 per cent. The interest payments which the Governments had to meet were £8,000,000 in 1901 and £57,000,000 in 1927. The latter sum is equal to about two-thirds of the total receipts from taxation.

It is not necessary to be terrified by these figures. In the first place, about £300,000,000 of this debt was war debt, and although it lay upon the community as a "dead weight," Australians did not regret that they had incurred it. In the second place, it is necessary to distinguish between internal and external debt. A loan raised internally does not increase the purchasing power of the community, but merely transfers purchasing power from the citizens to the Government. A loan raised externally adds immediately to the purchasing power of the community. Conversely, the payment of interest upon an internal loan does not diminish the spending power of the community; whereas the payment of interest on an external loan is a real diminution of the national income. Now, whereas in 1901 only 14 per cent. of the public debt had been incurred at home, in 1927 half of the existing debt had been incurred at home. To put the matter in another way: whereas in 1901 the public external debt per head of the population was £46, in 1925 it was £79. If we make allowance for the fall in the value of money, these figures imply a very real *diminution* in the burden of the external debt. Dr. Benham estimates that payments of interest abroad amounted in 1901 to 8 per cent. of the home-produced income, but in 1925 to only 5 per cent. of it.

However, an examination of the decade which followed the war will reveal a less satisfactory position. During

this decade world prices, after remaining for a time at an inflated level, began to fall. If prices are halved, the real burden of debt is doubled; if prices double, the real burden of debt is halved. Therefore, when prices are high, wise men will repay what they can of their old debts, and will be reluctant to incur new debts. Australia acted in exactly the opposite manner. The world was in effect offering her a generous present; but so far from accepting it, she herself was lavishly generous to future *rentiers*. Between 1918 and 1928 she added £378,000,000 to her public debts, of which sum £97,000,000 (spent chiefly on repatriation of soldiers) may be counted as war debt. Within this period the amount of debt per head of the population rose from £132 to £174. Within the same period the proportion of external to internal debt was again increasing, for in 1921 about 60 per cent. of the existing debt had been raised internally, and within eight years the proportion had fallen to 50 per cent.

It is necessary to inquire whether this rapid addition to the burden of public debt has been justified by a corresponding addition to the productive power of the community. This is equivalent to asking how Australian Governments spend money—a question on which something has already been said in the previous chapter. From a table compiled by Professor R. C. Mills (*Studies in Australian Affairs*, p. 104) it appears that 45·6 per cent. of public borrowings had been spent on railways, and that 80 per cent. has been spent on railways and tramways, water-supply and sewerage, land and land settlement, harbours and rivers, roads and bridges. The remaining 20 per cent. has been spent on postal services, public buildings, defence, loans to local bodies, irrigation, and “other” objects. A community may perhaps re-



cover its loan expenditure by a direct return from public works ; that is to say, the earnings of these works may be sufficient to pay working expenses, interest, depreciation, and obsolescence, while maintaining a sinking fund for the eventual extinction of the debt. But even if the direct return is insufficient to cover these charges, it may still be true that the community has borrowed (and spent) wisely. There is, for example, no direct return from roads and bridges ; but it is not desirable that Australia should remain roadless and bridgeless. It may perhaps be desirable that she should build more of her roads and bridges out of taxation. But the immediate question to ask is whether the expenditure of borrowed money on these roads and bridges (and on all other works which do not completely pay for themselves by a direct return) has justified itself by so increasing the national wealth as to compensate for the increased national debt. This question is easier to ask than to answer, for indirect benefits are difficult to measure, and Australian Governments have taken few pains to inform themselves and their subjects as to the precise extent of the direct losses on State enterprises. Sometimes they seem to have taken pains to conceal these losses. A valiant attempt to achieve precision has nevertheless been made by Professor Mills, who concludes that the gap between interest charges and net revenue from works constructed out of loan is "not great enough for serious alarm." Professor Mills takes comfort from the fact that, since the war, external interest charges have maintained a fairly steady relation (fluctuating around 5 per cent. and approaching 6 per cent.) to the value of recorded production. But this does not prove that the indirect returns which have accrued from loan expenditure are a compensation for the direct losses. It is possible that the value of recorded produc-

tion might have been higher had there been less loan expenditure.

The results of post-war borrowing need not yet cause serious alarm, but they have already caused serious annoyance and serious embarrassment. In 1921-22 it was necessary to raise from taxation £5·7 millions of the £20·8 millions of interest due from the States ; in 1926-27 the interest charge was £31·3 millions, and the amount paid out of taxation was £9·7 millions. Thus within five years, whereas the interest due from the States had increased 50 per cent., the contribution necessary from taxpayers had increased 68 per cent. The embarrassment of a State treasurer may be illustrated by a table setting out the growth, year by year, of the interest which has to be met out of taxation (the "dead-weight interest") in the State of South Australia.

<i>Year ending June.</i>		<i>Dead-Weight Interest.</i>	
		£	
1923	...	...	429,595
1924	...	...	331,827
1925	...	...	469,228
1926	...	...	738,194
1927	...	...	1,825,145
1928	...	...	1,503,618
1929	...	...	2,034,913 (including £200,000 for railway de- preciation.)

It has so happened that, during the very years in which the dead-weight interest leapt into seven figures, the State of South Australia became acutely conscious of the variability of seasons and of prices, and became sensitive to the costs of protection and the "disabilities due to

federation." Informed opinion was ready to welcome the report of the British Economic Mission (January, 1929), which warned Australia that unproductive developmental expenditure was imposing "a heavy burden on the general community and consequently on the cost of living and production." Among the dubious enterprises which the Economic Mission cited was that of the New South Wales Murrumbidgee irrigation scheme, into which £9,000,000 had been sunk in the ten years ending June, 1927. Within that same period the accumulated deficit of the enterprise was £2·7 millions. It may be admitted that the State can afford to wait longer for its rewards than can private individuals; but, said the Mission, "when we are told that of the irrigable land made available by the Murrumbidgee scheme only about one-third is being used for its intended purpose, and that only a fraction of the interest allocable to that one-third is being received, we cannot avoid the apprehension that a very heavy and permanent load is being laid upon the community." This is precisely the criticism which the Auditors-General of the various States have been offering in their annual reports. They have repeatedly warned the Australian Governments that they are not getting their money's worth. And if this warning is true, the assumption that more money must bring more men breaks down. Indeed, a simple mathematical calculation reduces this assumption to an absurdity. If both borrowing and population continued to increase until 1937 at the rate which was maintained between 1922 and 1928, the result would be this: that within fifteen years the debts of the States would have increased by 100 per cent. and their population by only 35 per cent. The Australians would then be carrying a burden of debt per head of their population for which it is impossible to imagine a com-

pensating benefit. The weight of this burden would in itself retard the increase of the population.

The capacity of Australia to absorb population depends in the last resort upon the prosperity of Australia. Development, therefore, will stimulate migration only if the development is "economic"; that is to say, only if it increases Australia's prosperity. The Economic Mission is clearly of opinion that the ardent development of recent years has diminished the country's prosperity. The question is altogether one of degree, and the beginning of wisdom is to be found in the maxim of the Delphic oracle: Nothing too much. Even before the Economic Mission had published its report many of the public men of Australia had begun to listen to the oracle.

### 3. ECONOMIC DISCIPLINES

As early as 1927 it began to be apparent that Australia was likely to enter a period of economic depression. In that year the banks began to restrict credit. This action was forced upon them by a drain of gold from the country and by a persistent rise in the ratio of advances to deposits. In 1927, Australia was still enjoying the benefits of high prices for her staple commodities and of a run of good seasons; but in the years which followed seasons were not so good, and prices weakened. Meanwhile, the average rate of interest upon ~~debts~~ was rising as pre-war loans fell due and had to be ~~converted~~. The contraction of the national income and the increased burden of dead-weight interest were reflected, not only in growing deficits, but in something new—a Commonwealth deficit. They were also reflected in rising figures of unemployment and falling figures of immigration. These economic discomforts were in part

the product of causes beyond Australia's control, and in part the product of Australian misfortunes or mistakes.

Economic discomforts tend to produce economic disciplines. Some of these may operate automatically—for example, through the restriction of the loan market. Other disciplines may be consciously sought. From 1927 onwards it is possible to trace in Australia a growing suspicion of grandiose enterprises and the beginnings of a preference for self-denying ordinances.

The Development and Migration Commission was created to satisfy the "demand for quick government"; but in its latter years it seemed likely to become a sort of revisory chamber standing above rash economic experimenters. It is worth while to illustrate this tendency by a particular example. In 1928 the State of Victoria asked the Commission to approve of its scheme for developing, by road and railway building and by the establishment of farms, a low rainfall area extending twenty miles north and south and seventy miles east and west in the marginal Mallee country. The area to be developed was also within constituencies held by the Country Progressive party, on whose support the Victorian Government was dependent. The Government, without consulting its experts, submitted estimates of the advantages to be derived from the scheme. It anticipated that the cost would be £300,000. The Commission, since it was asked to recommend the issue of loan money under the £34,000,000 Agreement, decided to undertake an economic survey. It estimated that the probable cost of public works associated with the construction of fifty-six miles of railway would be £1,000,000; that the cost of land settlement (575 farms at £2,300 each) would be approximately £1,300,000; that the cost of miscellaneous amenities of civilisation would be £250,000. When it

came to examine the advantages of the enterprise, it discovered that the Victorian Government had miscalculated the annual rainfall of the district, had taken no account of the variability of rainfall, and had over-estimated, to the extent of four bushels or more, the probable yield per acre from the farms which it was proposing to establish. It reported that the scheme, if persisted in, would impose a heavy burden on the general community of the State for the purpose of establishing settlers who, "on the average, were likely to derive income considerably below a living wage." It therefore rejected the Victorian application. The Commission's veto has, of course, been limited to schemes for which cheap finance is sought under the £34,000,000 Agreement. Yet it may not be altogether extravagant to imagine an institution similar to the Commission which will one day perform generally the revisory functions granted to the Commission within a comparatively narrow field. Such an institution would seem to be a natural expression of the financial sovereignty of the Commonwealth and the new flexible federalism. It is possible that even State Governments might come to value it as a shield and buckler defending them from the importunate mendicancy of their greedy children.

In June, 1927, both the Commonwealth and the States agreed to set up a new institution of self-discipline, the Loan Council. In the opinion of the British Economic Mission, the creation of this institution "marks the definite end of a condition of affairs when seven different Australian Governments, each acting independently, entered the loan market with no regard for, and indeed to the prejudice of, each other's interests." The Loan Council does no more than fix the amount which the various Governments may borrow in one year; it has no

concern with the merits of loan programmes. The British Economic Mission nevertheless believed "that the discussions which will take place in the Council will conduce to prudence in the objects of public borrowings as well as to moderation in their amounts."

The passing of the Bank Amendment Act of 1927 was a sign that the Commonwealth Government was moving hesitatingly towards the creation of a third institution of economic discipline. A central bank, or central reserve bank, may be regarded as "an institution provided especially for foul weather," but its value in fair weather also can hardly be exaggerated. The financial needs of Australian trade and industry are served by eleven trading banks with nearly 3,000 branches scattered throughout the Commonwealth, as well as by various kinds of specialist institutions—pastoral houses, insurance companies, building and investment societies, *crédit foncier* banks, etc. The system of branch banking, which may perhaps be traced to the Scottish training of Australia's financial pioneers, is very well suited to a country where nearly half the population is scattered over an extensive hinterland. A peculiarity of Australian practice which is rather less orthodox is that the banks are permitted to make advances on "broad acres." This practice may be justified by the peculiar circumstances of Australia's economic development, and by the very great skill which the banks have developed in handling the business of farmers and pastoralists. Although "broad acres" can hardly be classed with liquid assets, and the banks are in fact investing large sums of money in capital values, nevertheless the collapse of the land boom in the early nineties of last century taught them a lesson which they cannot forget; memories of the *sauve qui peut* of 1893 impose upon them a caution which at times may even be

excessive. The Australian financial system would gain both in strength and flexibility from the establishment of a central bank which could mobilise the credit reserves of the whole banking community and bring them into immediate action at the point where they were needed. A report published by the Development and Migration Commission on unemployment and business stability concludes that the creation of a central bank would be "the most important single measure that can be taken to control business fluctuations in Australia." This step has not yet been taken. The Commonwealth Bank, which was established by a Labour Government in 1911 as a challenge to "monopolistic" private banking, still competes with the trading banks for private business. Before it could perform the function of a central bank it would have to renounce branch banking and the deposits of ordinary private persons. Only on these conditions would the trading banks be willing to deposit with it their reserves. It would also be compelled to renounce advances except on securities which are completely liquid—notably upon bills of exchange, which represent a steady stream of production flowing into consumption. The States would have to renounce their high stamp duties, as a preliminary to the creation of an Australian bill market. But, generally speaking, the transformation of the Commonwealth Bank into a central bank would demand, not more legislation, but rather intelligent management capable of understanding what a central bank should do, and of steering the Commonwealth Bank steadily, if gradually, upon its new course. It would, of course, be possible to reach the desired financial haven by creating an entirely new institution of control, leaving to the existing bank the competitive business which it pursues at present.

A central reserve bank, whether it came into existence



by a new creation or by the transformation of an existing institution, would need to be free from all fear, even a remote fear, of party political control. But Australian sentiment dislikes any suggestion of financial oligarchy. The Labour party has asserted emphatically that Australia wants a "people's bank," not a "bankers' bank." It was a Government opposed to Labour which passed the Bank Amendment Act of 1927 and experimented in the creation of institutions of economic discipline. This Government held power from 1922 to 1929. After it had painfully acquired some experience in economic matters, it devoted its declining years to the education of the electorate. It planned to establish a bureau of economic research; it invited the British Economic Mission to report on Australian affairs; it invited the Australian people to read volumes of reports on the Constitution, on the disabilities of various States, on North Australia and Central Australia, on the tariff. The Australian people grew weary of so many commissions; it grew weary of so many professors, all of whom seemed to pretend that the task of economic statesmanship was difficult. To people in general, and particularly to a party in opposition, statesmanship seems easy. The people of the Commonwealth turned at last to the Labour party, which had been in opposition for thirteen years. One of the first decisions which the new Government announced was its intention to abolish the Development and Migration Commission as an independent body. Yet necessity may force this government also to continue the search for economic disciplines.

#### 4. ECONOMIC GEOGRAPHY: THE TROPICS

Perhaps the greatest contributions which Governments have made to the peopling of Australia are the contribu-

tions which they have made to the work of the scientific investigators who have from time to time so sensationally increased the resources of Australia. The States carry on the work of research and education through their Agricultural Departments, the Commonwealth seeks to stimulate and co-ordinate the work of public and private investigators by means of the Council of Scientific and Industrial Research, and Great Britain endows similar activities through the Empire Marketing Board. An increase of Australia's population must be associated with an increase of Australian capital; but this increase (whether by internal accumulation or by public or private borrowing from abroad) is dependent upon the wealth to be won from Australia's natural resources. It is written plainly on every page of Australia's economic history, from the time of Macarthur to the present day, that the progressive settlement of the continent depends primarily on the progress of its people in mastering the problems of its soil and climate.

The British Economic Mission was impressed by the *extensive* character of Australian settlement. "We have been much struck," it reported, "by what we have seen of the comparatively small degree to which intensive use is made of the land already in occupation in Australia. Schemes are being projected for extensive development by pushing railway and road construction at heavy capital cost into territory as yet unsettled, while it would seem that more intensive use of land already settled or partially settled might, at far less cost, be productive of a greater increase in population and in wealth production than the extensive schemes are likely to yield." Dr. Griffith Taylor, who has taught the Australians almost everything which they know about the geographical controls of settlement, estimates that 717,000 square miles of the conti-

ment are climatically suited for agriculture. Of this area the Australians have sown barely more than 7 per cent. with crops or grasses. Even allowing for the "patchy" character of much of the country, for rugged mountains and poor soils, it is apparent that there must still be room within these 717,000 square miles for a greatly increased and thriving population. There remain 2,250,000 square miles. Dr. Taylor classes 600,000 of them as desert, 660,000 as "sparse," and the rest (about 1,000,000 square miles) as "pastoral" lands. Here are Australia's vast open spaces. They have been described in Chapter I. There is, however, another geographical division of the continent which must be considered. Forty per cent. of Australia lies within the tropics. Rightly or wrongly, the outside world seems inclined to judge the Australians by their success or failure in utilising this portion of their inheritance.

It is first of all necessary to inquire whether the Australians can flourish and multiply within this portion of their inheritance. White men, when they have lived within the tropics, have usually been a small minority of rulers or plantation owners controlling large native populations. Frequently they have introduced among the natives new diseases, and in return have caught diseases from which the natives have relative immunity. The decisive factor in Australia's tropical colonisation is the absence of a well-established native population. This makes life in tropical Australia both more arduous and more healthy. Half a century ago the world dogmatically assumed that the Australian experiment must fail. To-day the Australians assume, scarcely less dogmatically, that their experiment must succeed. Success or failure will only finally be proved by careful physiological and sociological observations extending over many generations.

But already there are encouraging auguries of success. They are enumerated, with considerable enthusiasm, in Dr. Cilento's study of *White Men in the Tropics*. They have been disputed by a minority of medical practitioners and by a visiting American geographer, Dr. Ellsworth Huntington. Dr. Huntington was surprised to discover that the people of tropical Queensland had, according to the census reports and the evidence of the Institute of Tropical Medicine at Townsville, a remarkably good record for health and fertility. However, he convinced himself that this good record was chiefly due to the presence in Queensland of a "picked population" of first-generation pioneers. A paper by the Commonwealth Statistician on the *Vitality of White Races in Low Latitudes* has made it clear that Dr. Huntington arrived at this conclusion by the hasty interpretation of inadequate or irrelevant data. What evidence exists tends to show that native-born Queenslanders are no less fertile than other Australians, that their expectation of life (which during the decade 1891-1901 fell short by 12 per cent. of the Australian average) has fully made good its earlier deficiency, and that the mortality of their children is below the Australian average of child mortality. Moreover, there seems no reason for believing that the quarter of Queensland which lies within the tropics falls below the general high average, for human health and fertility, of the whole State.

The greater part of the inhabitants of tropical Queensland gets its living, directly or indirectly, from the sugar industry, which is confined to the narrow shelf between the Great Dividing Range and the sea. This industry was originally established in temperate regions in the north of New South Wales and the south of Queensland, and its history is the record of a continuous expan-

sion northwards into the tropics. From the sixties of last century until the formation of the Commonwealth it depended upon the labour of Kanakas imported from the South Seas. It is not without significance that mortality among these wretched people was many times greater than mortality among the whites. The conscience of Australia and of southern Queensland itself protested against the disguised slavery of the sugar plantations. Tropical Queensland retorted by demanding a new State, separated from the temperate south. Had this demand been granted, it would have created on the Australian continent a plantation colony or colonies similar to the old plantation colonies of America. But the Colonial Office upheld the principle, afterwards embodied in the Commonwealth Constitution, that the consent of the whole colony was necessary for the withdrawal of any part of it. And, in the end, Queensland discovered that a division of labour separating growers, millers, and refiners was more efficient than the plantation economy. The sugar industry to-day is built upon small farmers, who send their cane to central mills, and upon an extravagant tariff and dumping scheme.

According to Dr. Griffith Taylor, only 4 per cent. of the area of Australia is fit for tropical agriculture. The greater part of this area runs along the Queensland coast. Across the mountains, and all the way west to the Indian Ocean, economic enterprise is confined almost exclusively to the pastoral industry. Over the greater part of this area mining counts for very little. The best pastoral lands of the north lie in Queensland, which is likely some day to hold a larger population than any other Australian State. A good deal of western Queensland is within the great artesian basin, and is able to carry large flocks of sheep as well as herds of cattle.

Sheep require four times as many waters as do cattle, and (particularly in country ravaged by dingos) demand a considerable amount of fencing. Cattle can run in unfenced or widely fenced country, and can travel long distances to water. For these reasons the vast tropical area extending between western Queensland and the Western Australian coast is given over almost entirely to cattle. The history of the settlement in that country is the history of the cattle industry.

This has been, since the war, a gloomy history. The industry has been unable to hold its ground against falling prices and the competition of the Argentine. In 1921 there were 14,500,000 cattle in Australia; in 1926 there were only 11,000,000. The industry has suffered more severely in the north of Australia than in the south. Pastoralists in the north depend preponderatingly on overseas markets, partly because of the difficulty in bridging the low rainfall gap between temperate and tropical Australia, partly because of the restrictions which aim to keep southern cattle free from the cattle tick which afflicts the northern herds. A Royal Commission, which in 1928 reported on the meat industry of Western Australia, added, in a long and sad list, many other adverse circumstances. The cost of shipping a beast from the freezing works at Wyndham, in the Kimberleys, 2,100 miles to Fremantle, is 100 per cent. of its value. The cost of transporting labour to and from Wyndham adds 6s. 8d. to the price of each animal made ready for the butchers. The total cost of preparing an animal for the butchers is 200 per cent. more than the price which the pastoralist receives. There are in the Kimberleys no rich paddocks for holding stock to fatten for slaughter. These and many other difficulties make it impossible for Kimberley cattle to attain the quality of

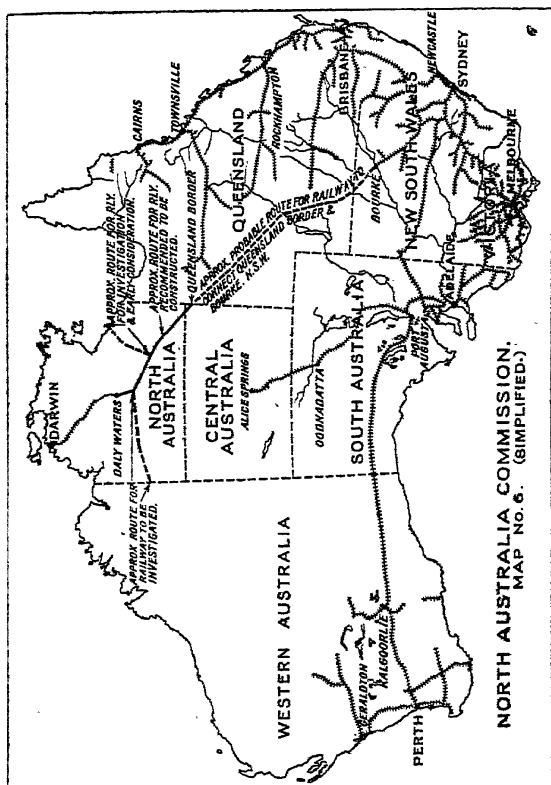
the chilled meat which comes to Europe from the Argentine. There are in the tropical portion of Western Australia about half a million cattle. These, together with the pearling industry around Broome and the iron deposits of Yampi Sound, constitute all its present wealth.

Between the borders of Queensland and Western Australia lies the old Northern Territory. Sir George Buchanan, who at the invitation of the Commonwealth Government reported on the Territory in 1925, thus summed up its history: "The Northern Territory is suffering from isolation, an inefficient system of administration, lack of communications, and constant labour troubles." Between 1863 and 1910 this remote country was badly governed from Adelaide; then the Commonwealth took charge of it, and governed it badly from Melbourne. As a sequel to Sir George Buchanan's report, the Commonwealth Parliament in 1926 divided the Territory along the latitude of 20° south, thereby making two new territories, North Australia and Central Australia. It also established the North Australia Commission, to which it gave no administrative powers, but very considerable economic powers. The Commission exists to develop the country. There is no reason why it should not in the long run achieve a fair measure of success. In Central Australia there is one fair pastoral area—the Macdonnell Ranges; in Northern Australia there are two very fair or good districts—Victoria River Downs and the Barkly Tableland. The tropical rainfall, though it is erratic and confined to four summer months, varies from very heavy to fair. In the very years in which the cattle of Australia were declining by some millions, the cattle of the Territory were increasing by some hundreds of thousands. This increase was partly due to the fact

that pastoralists in the Territory could not (as they could in many parts of Queensland) turn from cattle to sheep ; it was also due to the fact that the Territory was understocked, and therefore escaped the heavy losses which bad drought inflicted upon Western Australia and Queensland. Northern Australia is capable of making a reasonable contribution to the pastoral wealth of Australia. It will not, however, make this contribution until considerable capital has been invested in the provision of wells, and in provision of access to markets by means of stock routes, railways, and shipping facilities. The retarding influences have been high costs of material and transport and labour difficulties. These are the causes responsible for closing the freezing works at Darwin. The most discussed problem of North Australia, and the most interesting, is the problem of railway communication with the closely settled districts of the continent. South Australia has so far insisted on the honouring of a pledge which promised her a railway between Adelaide and Darwin. The railway has already bridged the gap of five-inch rainfall which separates Alice Springs, in Central Australia, from the south. It would nevertheless be in the best interests of North Australia and of Australia as a whole to bring the line from the north through good country towards the railways which run westwards from the eastern coast of Australia. Northern Australia has already suffered sufficiently from its forced connection with the south. It was its natural destiny to be occupied by a pastoral penetration coming from Queensland.

The cattle industry of North Australia depends chiefly on the labour of Australian aborigines, who receive 5s. a week, together with their food and clothing. It is not the growth of herds, but rather the expenditure of





Government on public works, which has in the past been responsible for fluctuating increases in the population of the country. At present the white population of North Australia and Central Australia is 0·01 per cent. of the population of the whole continent. There is no particular reason why the Australians should reproach themselves for the emptiness of these vast areas. They have gained very little in the past from their premature and expensive attempts to make an imposing show of settlement. It is sound policy to take the best country first. A well-ordered national economy will be in the long run the quickest way of filling the vast open spaces, for it will cause a natural and economical overflow from the more favoured regions. Australia's tropics will never be full in the sense in which many other tropical countries are full. They can never hold a closely settled population of any race. If they are skilfully exploited, their wealth will enable Australia to increase, in some degree, her population ; but much of the increase will be found within the temperate zone.

It is the pleasant lands of temperate Australia which British immigrants seek. After all, there is little room for them in the vast open spaces. They settle where they can find work. The majority of them, therefore, settle in the cities.

## CHAPTER IX

### “STANDARD OF LIVING”

NATIONAL virtues follow the fashions and change with the times. There was once a complacent chief justice who pointed to the depredations of English malefactors (and English gallows) as a proof that his countrymen were braver than the French ; but Englishmen now pride themselves above all things on their respect for law. There was a time when the English loved to be thought (as indeed they were) a rollicking and boisterous people ; but nowadays it seems proper for the rich to be “detached” and the poor docile. That swaggering patriotism redolent of tavern plenty, which vaunted the commodities of England and taunted foreigners with “their wooden shoes and straw hattes, their canvas breeches, and buckram petticoates, their meager fare, feeding commonly upon grasse, hearbs, and roots, and drinking water, neere to the condition of brute animals . . .” has been frozen by sophistication, and gentility, and anxiety. The English are still great lovers of themselves, but they no longer show it by ranting about their full bellies. In truth, they no longer have the best-filled bellies in the world. Their own emigrants boast that they fare better than the stay-at-homes, and the old rich savours of roast-beef-and-plum-pudding patriotism must be sniffed in the Dominions.

Australians who grumble in their own country become exuberant about its “standard of living” when they first see real poverty in England. “The essential differ-

ence between these folk and people following similarly humble avocations in Sydney, I thought, is that these people live in the shadow of actual want, even of actual starvation. In Sydney they do not. That accounts for the don't-care-a-damn light-heartedness seen in Australian faces, and for the dominance of care in these faces" (*The Record of Nicholas Freydon*). Statisticians have attempted to find a rough measure of these and similar contrasts, by compiling index numbers which measure the size of a weekly basket of food (supposed to be typical of the habits and wants of the various peoples concerned) which can be bought for the wages prevalent in different cities. Assuming that the wage prevalent in London is 100, the higher or lower level of real wages in other places is denoted by numbers which fall below or rise above the London figure. The following excerpts from one of these tables (July, 1926, adapted from the *International Labour Review* by the Commonwealth Statistician) indicates that the condition of the "average" Australian working man, if not quite so happy as that of the American, is happier than that of his English and European fellows :

London, 100 ; Philadelphia, 166 ; Ottawa, 151 ; Melbourne, 142 ; Copenhagen, 112 ; Stockholm, 88 ; Berlin, 70 ; Prague, 50 ; Rome, 44 ; Vienna, 44 ; Brussels, 41 ; Lisbon, 35.

The very emphasis of contrasts in these figures should suggest that they must not be taken too seriously. It is too much to believe that the citizen of Melbourne is more than three times better off than the citizen of Rome or Vienna. In these index numbers there is room for all sorts of errors. First, they are based solely on food ; but men need more than food. Secondly, different peoples desire different foods, and derive different benefits even

from the same foods. Suppose that the statisticians had filled their horn of plenty with the corn and wine and oil of the heroes and poets? The lot of the Australian workman, compared with that of the Tuscan peasant, might then have seemed a hard one. Nor can index numbers measure the higher satisfactions. The citizen of Munich (we may be permitted some exaggeration) is content to hear Beethoven; the citizen of Melbourne is content to hear broadcast jazz; and both are satisfied. Until the whole human race is standardised, the standards of living enjoyed by its various branches cannot exactly be compared.

However, since values in the Anglo-Saxon world are to a great extent standardised, since the appetites of the Australian workmen differ little from those of English workmen, these index numbers of comparative real wages may be taken as an indication that the former enjoy rather more well-being than the latter. The difference is emphasised by the comparative rarity in Australia of great private fortunes. To quote once more from *The Record of Nicholas Freydon*: “Millionaires are scarce here, and so perhaps are men eminent in any direction. But really poor folk, hungry folk, folk who must fight for bare subsistence, are not only scarce—they are unknown to the land.” Perhaps they are not quite unknown to the land; for the Australians, taking their prosperity for granted, have hardly bothered to insure themselves against hard times. Yet a visitor who comes to Australia from England will see little evidence of their existence.

Australian workmen do not doubt that they are better off than their English brothers; nor will they confess to being worse off than their American cousins. Even when they are told that the index of real wages is higher for Philadelphia than for Melbourne, they will fix their atten-

tion upon the inequalities which the American figure conceals—the high earnings of skilled labour and the comparatively low earnings of those insufficiently Nordic peoples who have done the rough work of the country. For, just as Australian labour resents the larger inequalities of fortune, so also is it hostile to emphatic inequalities within its own ranks. And the wage-fixing authorities have done justice to this hostility. According to the Commonwealth Statistician, the average rate of wages for skilled and unskilled labour is about £5 a week. From this average the lowest possible variation (in those industries which come within the sphere of public regulation) is fixed by the basic wage, which in 1927 varied from £4 4s. to £4 9s. 6d. in the several jurisdictions. Variations in the other direction do not extend much further; tasks demanding special skill or endurance may sometimes bring the craftsman £7 a week, but a wage above £6 is uncommon, and the average margin for skill is only about 13s. Within these limits there is, it is true, a most complicated network of small inequalities. Australian labour has striven instinctively to pool its prosperity, but it likes to see ripples in the pool. Craft feeling has hitherto been dominant in Australian unionism, and union leaders struggle against the present tendency to transform craftsmen into machinists and machine-minders. "Once a craft always a craft." And there are so many crafts. The Australian public is for ever talking about the basic wage, but a remarkably small percentage of Australian workers actually receives it. Most classes of Australian labour receive a "secondary" wage as the reward for some special aptitude. Union secretaries have developed the subtlety of mediæval theologians in arguing fine points about "margins" for skill. "It requires some kind of skill," an exasperated judge once protested, "to blow

one's nose." A deputy-president of the Commonwealth Arbitration Court once awarded more than 200 margins for skill to different workers in the timber industry. Despite all this, the dominant passion of Australian labour is for substantial equality. It accepts the customary group diversities within its own ranks, but is bitterly hostile to individual diversity, to "the insidious and humanity-wrecking system of payment by results." And even inherited group diversity must, in case of conflict, give way to that modern ideal, which first became fact in Australia—a minimum standard for every worker. The basic wage is "sacrosanct," but margins for skill are not. Australian democracy has insisted that its minimum standard of living must be "fair and reasonable," and is prepared, if necessary, to realise this aim by being unfairly and unreasonably niggardly in rewarding unusual capacity. For all these reasons, there is much more uniformity among Australian workers in their standard of living than is usually met with in new countries. There are, nevertheless, great diversities from the mean standard, because there are great inequalities in family responsibility. In 1920 the chairman of a special Basic Wage Commission pointed out that Australian industries were paying for 450,000 non-existent wives and 2,100,000 non-existent children. This is explained by the practice of Australian wage-fixing tribunals in professing to consider the needs of a normal family (Mr. Justice Higgins had always in mind a family of "about five persons") and allotting a wage sufficient to meet these needs. Under such a system the single man is naturally in a happy position. Supposing that he receives the basic wage (and he cannot receive less) he may well have about £3 in his pocket after paying his weekly bill for board and lodging. But unhappy is the worker who has his quiver full of

children; he may be poorer than a Londoner, more wretched than a Swede.

The Australians, however, are well aware of the logical imperfections of their system. The urge towards a genuine equality—that is, the tangible equality which is understood and enjoyed by individuals—has found its most recent expression in the system of child endowment adopted in 1927 by New South Wales. The original legislative proposals came from the Labour party, and were severely amended in the Upper House; the Act which was finally assented to required the Industrial Commissioner of the State to declare a basic wage based upon the needs of a man and his wife without children, to which five shillings should be added for each child. The money was to be found by a 3 per cent. tax on employers' wages bills—a tax which has been condemned by some economists, partly because it may be passed on, partly because the size of a wages bill may be no fair measure of capacity to pay taxation. It is not necessary to recount the controversies which have continued since the passing of this measure. Our present concern is with its intention and effect in promoting equality. It is obvious that, under this scheme, "a basic wage earner with four children will receive the basic wage, £4 5s., plus £1 endowment, and will be in as good a financial position as a skilled man with four children or less who is receiving . . . a wage of £5 5s. a week." And the levelling effects do not stop here. Australian labour understands very well that no reform is quite secure until it is generalised over the continent. For, if it is confined to one State, it may place industries in that State at a competitive disadvantage with their neighbours and rivals. Thus it happens that every reform of this nature strengthens the interests which favour a continent-wide uniformity of the social



structure and encourages the unificationist assault upon the Federal Constitution, which gives some limited protection to local diversities.

The equality at which Australian democracy aims is obviously different from that equality which observers from De Tocqueville to M. Seigfried have remarked in the democracy of America. The Australians are not content merely to attack privilege nor to remove the handicaps which birth has imposed upon capacity. Rather, they tend to ignore capacities in their preoccupation with needs. Equality of opportunity implies free scope for natural talent, which must create new inequalities ; whereas what Australian democracy desires is equality of enjoyment. Australian democracy has done much to equalise opportunities, but it has also done something to narrow them. It is properly anxious that everybody should run a fair race. It is improperly resentful if anybody runs a fast race. Indeed, it dislikes altogether the idea of a race, for in a race victory is to the strong. Its solicitude is for the weak, and its instinct is to make merit take a place in the queue.

Every tendency produces counter-tendencies, and most general statements conceal a diversity of particulars, even of exceptions, which may challenge and in the course of time destroy the rule. There is nothing for it, in such a short essay as this, but to state the main principle and add those more important qualifications for which, somehow or other, room must be found. In the history of Australian wages there is a second tendency no less striking than the tendency towards equality. Insistence upon needs has helped to equalise wages. It has also made them more rigid. The real wages of unskilled labour in Australia (so, at least, it appears on first sight) never change. A phenomenon so surprising (for Australian

prosperity, notwithstanding its fluctuations, has grown considerably since the beginning of this century) requires some explanation. In 1907 Mr. Justice Higgins, after making a rough estimate of the fair and reasonable needs of a family of "about five persons," resident in Melbourne, declared that a wage of £2 2s. might satisfy them. By the end of 1911 prices had increased by 11 per cent., but there had been no corresponding increase in wages. In the following year the Commonwealth Statistician published index numbers covering the decade 1901-11 and the first three quarters of 1912. Fixing the number 1,000 as the base number representing the weighted annual cost of living in the six capital cities, he aimed to calculate backwards and forwards from this base fluctuations in the purchasing power of money. Since 1913, the Commonwealth Court of Conciliation and Arbitration has followed the practice of restating the wage of 1907 in terms of the changed purchasing power of money, as indicated by the Statistician's price-index numbers. This restated wage is called the *Harvester Equivalent*. Thus the wages of labour have been tied to a standard declared nearly a generation ago. The rigidity of this standard, it must be confessed, is to some extent relaxed by the accident of its technical imperfections. The price-index numbers represent a number of commodities which are subject to their own fluctuations; they represent only two-thirds of the expenditure of ordinary working-class families; nor are they concerned with quality of production and the changing habits of consumers. All these factors find no place in the *Harvester Equivalent*, although they may affect, favourably or unfavourably, the real earnings of labour. Moreover, there is always a lag between the movements of wages and prices; when prices are rising (as between 1911 and 1921) the real wages of

labour are generally below the accepted standard ; when prices are falling (as after 1920) they are generally above this standard. But these anomalies occur in spite of our desires. In so far as we really use the basic wage as a measuring rod, we have created, to all intents and purposes, our own original iron law of wages. It is a monstrous achievement.

"Fair and reasonable," "fair and average," "normal needs"—all these phrases are intelligible only as they are relevant to conditions of time and place. They depend, and must depend, on custom. But is the reward of labour to be for ever governed by the custom of 1907? In 1919-20 Australia sought to free herself from the dead hand of the past by modernising her definition of needs. One result of this attempt was to place new emphasis on something which the courts had always realised and sometimes stated—the futility of considering needs without considering also the capacity of industry to satisfy them. Some economists have suggested that the wage-fixing authorities should frankly accept "capacity to pay" as their chief criterion. But this criterion, too, has its economic critics. Nor will Labour accept it. Capacity to pay fluctuates both upwards and downwards, and Labour plays for safety. The rigid standard of wages may increase unemployment in bad times and rob the workers of their fair share in the enjoyment of good times ; but it is something definite and defensible, a rallying-point in the class struggle, a trench to man against the attacking forces of capitalism. If Australia were an exhausted country of dwindling resources this would be good tactics. But the tactics seem hardly suitable in a vigorous new country which has not yet reached its "optimum" population. What America began to enjoy a few years after the war—a steady rise in wages unaccompanied by a

corresponding rise in prices—would seem to the Australians a fantastic miracle. Australia's policy might seem to have been specially designed to persuade the Australian workman of what is nevertheless untrue—that he has no interest in low costs. For, to outward seeming, he has no real interest in low prices. If his efficiency helps to reduce prices, he is rewarded by a scaling-down of his wages. This is the anti-climax of Labour's struggles; the burlesque conclusion of that practical Australian logic which has so persistently elaborated its generous postulate of justice.

Equality and rigidity; Labour has aspired to the one, and been trapped by the second. But neither counts for quite so much as we have pretended. There is a distinction between income and wages, and this distinction explains why Labour has consented to bow to the yoke of the *Harvester Equivalent*—the yoke of statisticians, and judges, and a never-changing wage. The wage, indeed, is rigid, but income is not. The workers have had some share in Australia's growing prosperity through additions to their "free income." The Commonwealth Government in 1927-28 spent about £7,000,000 in war pensions, £8,000,000 in old age pensions, £750,000 in maternity allowances. The greater part of this expenditure helped to swell the incomes of members of the poorer classes, and none of it existed at the beginning of the twentieth century. Within the same period the States have increased their expenditure on health and education, pensions, charity, and hospitals. Thus in New South Wales, between 1911 and 1927, while the population increased by 41 per cent., State expenditure on education increased fourfold; payments under Employers' Liability and Workers' Compensation Acts increased twenty-two-fold; Government advances helped to raise the proportion of

citizens owning or purchasing their own houses from 52 per cent. of the population to 57 per cent. Even allowing for the change in money values, these figures mean a good deal. Simultaneously, the workers have gained in leisure. They have more holidays and a shorter working week. The weighted nominal hours of labour for adult males (excluding those employed on the land and in ships) were: in 1914, 48·87 hours; in 1918, 47·88 hours; in 1926, 45·57 hours. It is apparent that wage-rigidity is less important in its social consequences than in its economic and psychological consequences. The worker has his consolations and remains convinced that Australia is, after all, the best place in the world to live in.

And then there is Australia's sunshine and the feeling of physical freedom and spaciousness. It must not, indeed, be thought that all Australians are familiar with those vast open spaces which are so precious an asset of Imperial oratory. The majority of Australians, like the majority of Englishmen, live in streets. According to the census of 1921, 62·2 per cent. of Australians were street-dwellers, and 46 per cent. lived in the streets of the six capital cities. More than half of the population of Victoria lives in the streets of Melbourne; more than half of the population of South Australia (a State which is comparatively backward in manufacture) lives in the streets of Adelaide. Half a century ago 44 per cent. of Australian breadwinners were working on the land; by 1921 this figure had fallen to 25·8 per cent. If Australia maintains the present rate of increase in the number of her clerks, factory hands, and salesmen (and the rate of increase is so rapid that already the figures for 1921 are hopelessly out of date), the typical Australian will before long be as street-bred as the typical Englishman.

Yet perhaps, even then, it will be possible for Aus-

tralian to congratulate themselves that they live in the vast open spaces. Instead of going out from the cities into the country they have brought the country into their cities. The streets are not like European streets. The municipal fathers of an Australian residential area would laugh at Leonardo's counsel to equate the width of the streets with the height of the houses which front them. The typical Australian house has been reduced to a ground floor, and the typical suburban street is two or three times wider than the height of the houses. Moreover, these houses (they are "villas" or bungalows) do not stand upon the streets, but are far withdrawn behind the wooden fences and green hedges which enclose their gardens. The chief attraction of Australian cities is the multitude and diversity of their public parks and playing fields. Yet the Australians would not be content with communistic enjoyment of the space and light which are the most notable gifts of modern transport to those who dwell in cities. The majority of country acres which have been brought into the cities have been parcelled out into innumerable gardens and yards; for each householder loves to have his own private patch of country, whither he may retire with spade and water-can to satisfy the primitive, half-forgotten instincts of his rustic ancestry.

There are slums in Australian cities; but, just as the Australian visitor to London or Glasgow will be impressed by the dinginess in which the majority of working people live, so will the English visitor to Melbourne or Adelaide be impressed by the cleanliness and the airiness, the decencies and even the comforts of life, which seem to be within the reach of all. And, as he passes from suburb to suburb, he will be astonished at the broad spread of middle-class comfort, the apparent

diffusion of a middling prosperity through a great proportion of the city population. Frequently, the spectacle will make him impatient and uneasy. He has expected to see some evidence of the rigours and heroisms of pioneering, and such a stolid mass of commonplace urban prosperity heaped around the doors of an empty continent will appear to him unnatural, unseemly. The Australians themselves are half persuaded that their urban habits are a crime. And yet a few superficial observations will make it clear that it is not their faintness of heart, nor even their passion for the cinema (which they attend more assiduously than any other people), which has gathered nearly 3,000,000 Australians into the capital cities. Australia merely illustrates in an exaggerated fashion what is taking place the whole world over. A great deal of agriculture, nowadays, is actually carried on in the cities. The artisan who makes reapers and binders, the chemist who makes fertilisers, the botanist who breeds new varieties of wheat, the railwayman who transports the harvest and the merchant who markets it, are all as actively engaged in exploiting the soil as the labourer who follows the plough from sunrise to sunset. The mechanisation of agriculture has steadily reduced the amount of farm labour necessary to produce a given quantity of food, and the inelasticity of human stomachs sets limits to the amount of food for which the world will pay. But human wants in general are almost limitless, and the labour which is no longer needed for the spade and for the plough finds employment in shops or offices or factories.

Nevertheless, Australia's democratic policies have done something to increase, artificially, the attractiveness of the city at the expense of the country. If we consider what vast reservoirs of voting power are stored

around the seats of Government in Australia, it seems apparent that this must happen almost of necessity. The economic power of the cities gives them great political power, and their political power increases their economic power. By this road we approach some important exceptions to that rule of equality which Australian democracy has instinctively struggled to apply. There are visible exceptions even within the cities. Within the ranks of the urban working classes Labour's insistence on a rigid wage exaggerates, in times of economic difficulty, the great inequalities which result from unemployment. This was apparent in 1929, when there occurred a serious fall in the national income, and Australia segregated an unduly large proportion of her discomfort in unemployment camps. But the same tendency operates continuously even in normal times and over a wider field. The pressure to secure equality at the highest possible level within one class has produced other pressures which have lowered levels and created inequalities in other parts of the community. In every country some industries are sheltered from outside competition, while others are not; and the former will guarantee higher wages than the latter. By means of protective duties, the Australians have striven incessantly to extend this area of shelter. The process of doing so involves possible advantages and possible costs. The costs show themselves as higher prices. But the Australian workmen whose wages are regulated by public authorities (that is to say, about three-quarters of the total number of workmen) have no obvious reason for alarm at a rise of prices. Their attitude towards extensions of protection is irresponsible; they do not count the cost because it appears to be somebody else's cost. It is in particular the cost of men "working on their own account," of small farmers, and



of country labourers, the majority of whom have no access to wage tribunals. There are no adequate data for comparing city wages and country wages in Australia; the figures given by the Commonwealth Statistician—£4 19s. 7d. for the "industrial" groups: £4 14s. 9d. for the "agricultural and pastoral" groups—are notoriously inadequate. To get a fair idea, even according to these figures, of the inequalities which exist, the pastoral industry should be separated from the agricultural; for the pastoral industry, so far from being sheltered, is strong enough to shelter; it pays the wages awarded to its unionised employes and provides much of the fund from which is paid the cost of Australia's economic and social experiments. As for the small farmer, no one can exactly measure what he pays for labour when he can afford to hire it. To some extent, of course, protection of wages in sheltered industries helps to protect wages in unsheltered industries by setting a standard from which it is difficult to diverge too widely. The farmer who cannot approach this standard has two alternatives: either to give up his farm, or to work like a slave and live in a rural slum. It is not necessary to exaggerate. The cost of sheltering favoured classes of the community (including certain classes of farmers) does no more than contract the economic margin of cultivation or impede its natural expansion. In some parts of Australia, such as the western wheat-lands, where the outward wave of expansion is running fast, its inward suction is hard to observe. But there are districts, especially in South Australia, where the natural margin of cultivation is drawn as sharp as a razor edge. There it is possible to see with dramatic certainty the effect of New-protection costs in contracting the margin and creating a rural slum. Under any

system of policy there would always be gamblers who would suffer from their own ignorant optimism and unfortunates who would be ruined by the premature accidents of bad seasons and falling prices. But the policies of Australian democracy make it possible for the marginal slum to creep inward upon solid, established farmers who have done much for their country and deserve better treatment. They pay their way ; when bad seasons come they skimp and struggle and wait for better times. But costs keep on rising, even when world prices fall. These men are carrying on their backs the burden of other people's comfort and security, and sometimes the burden is too heavy to be borne.

Against the equalities created by wage regulation must be set the inequalities created by the combination of wage regulation and tariff. The Australians have not yet succeeded in their quest of justice for everybody. Or perhaps they have not yet really begun the quest. In modern Australia, as in mediæval Europe, the ideal of "fair and reasonable" expresses itself only within a system of privilege ; there still remain the excluded ones.

However, the Australian people is, as a whole, prosperous. Even the difficulties of recent years seem small compared with the steady achievement of this century. Dr. Benham has calculated that in 1924-25 the prosperity of Australia was 25 per cent. higher per head of the population than it was at the beginning of the century. Prosperous communities are apt to flatter themselves that they are blessed because they have been collectively deserving ; that they enjoy the rewards of their political sagacity. But the growing rewards which the Australians have enjoyed are to be explained less by their legislation than by their intelligent exploitation of their resources and by the extent of those resources. Australia

is the poorest of continents, but is, nevertheless, a rich inheritance for a people which does not greatly exceed 6,000,000. Whatever may be the number of people which the continent will hold—on this problem there is much speculation and little agreement—it is certain that it has not yet attained that most profitable balance between people and resources which will yield the highest average standard of individual well-being. It is therefore possible that the Australians have not grown rich because of their policies, but that, being already rich, they have been able to afford them.

NOTE.—The intensification of the industrial depression, which has continued since these chapters were written, has led the Australians to be more critical of some of the policies which have been described, and more ardent in their devotion to others of them.



PART III  
POLITICS



## CHAPTER X

### THE LABOUR PARTY

FROM the time of the second Reform Bill and of Bagehot's *English Constitution* until the present day, dons and publicists and even Poets Laureate ("Slowly comes a hungry people . . .") have looked forward with apprehension to a struggle of the "Haves" and the "Have-nots," which must jar and perhaps wreck the familiar mechanism of parliamentary self-government. These forebodings are in large measure responsible for the interest, frequently a gloomy and suspicious interest, which Australia has aroused among political students of the old school. For in Australia, surely, the struggle of the "Haves" and the "Have-nots" has dominated politics? What other motive than fear of the hungry people can have driven radicals and conservatives, protectionists and free traders, squatters and manufacturers, to close their ranks in a common resistance to Labour?

The publicists and dons have clung too much to Aristotle. They have imagined Australia's Labour Governments to be, like Aristotle's democracy, "the rule of the many and poor." But the many are no longer poor. It has been the general tendency of Western civilisation during the last hundred years (*pace* Karl Marx) to make the "Have-nots" a diminishing class within society. In Australia they have been, except in the most abnormal times, a negligible quantity of the population. The majority even of trade unionists have a vested interest in Australia's capitalistic society. Nor are trade unionists

the sole clients and patrons of Labour. Labour, if it is to achieve power, must win the suffrages of other classes—of retail traders and small business men and struggling farmers. These are the “marginal” votes which fix the values of Labour policy . . . so that they cease to be distinctive Labour values ! Just because the vote of the trade unionist can usually be relied upon, it counts for less than the vote of the greedy farmer. The strength of *his* vote is as the strength of ten, because—in “the cause”—his heart is not pure. Thus do trade unionists labour, and others enter into their labours.

The Labour party, nevertheless, is in its structure and its essential character a product of trade unionism. Australia possesses more trade unionists in proportion to her population than any other country in the world. In 1840 about 1 Australian in every 318 was a trade unionist ; in 1855 the proportion was 1 in 54 ; in 1914 it was 1 in 9 ; in 1927 it was approximately 1 in 7. Every imaginable condition which is favourable to the growth of trade unionism has (since the middle of last century) been present in Australia. The great mass of immigrants to the country has come from the nation and the class which have been most accustomed to craft organisation ; and when the mass began to move, its Chartist leaders were already “sick of the everlasting babblement of the men who swear by Adam Smith.” In their new country, where Governments were so paternal and so democratic, this babblement seemed fatuous. The very soil and climate of Australia seemed to have a grudge against petty individualism, and drove disappointed land-hungry diggers into the cities or the shearing-sheds or the deep mines—and into association. It was a hard land if a man would be his own master on his own plot of soil ; but it offered him self-respect and independence and even



a master's pride as the member of a class. Thwarted individualism found consolation in the gospel of mateship, and declared its independence in collectivist manifestos. The State protected the workers' right of association; the workers used their right of association to capture the State.

Until the seventies of last century Australian trade unionism was confined to the capital cities and the mining towns, and was modelled conservatively on the craft lines of English trade unionism. In the eighties it began to develop its own distinctive peculiarities. There were two striking illustrations of the new tendency. In the first place, the eighties and early nineties witnessed the gradual emergence of a new and unique organisation, the *Australian Workers' Union*. The shearers, although they were migratory workers moving up and down the length of the continent with the seasons, had discovered in the shearing-sheds a community of living, working, and thinking, which made organisation a simple matter. But the shearers' union soon surrendered its independent existence, and became no more than the nucleus of a larger body, which aimed to include all rural workers and all sorts and conditions of unskilled or semi-skilled men (navvies, fettlers, and the like), who, strictly speaking, were not rural workers at all. The *A.W.U.* is "more like a general federation of labour than an industrial union." Its creation and survival represent a triumph of organising ability and sound business methods. It is a conservative influence, and has been for thirty years or more the most powerful single force within the Labour movement.

The second original development of Australian trade unionism in the eighties of last century was its decision to play a direct part in politics. Even before the gold-

rush days craft unions had spasmodically intervened in political issues by means of demonstrations and petitions. In the seventies organisations like the miners' union had agitated strenuously and not unsuccessfully for governmental action to protect the health and decency of working men when they were threatened by the rapacity of employers. The delegates to the Second Intercolonial Conference of Trade Unions (1884) decided to take a further step. They resolved to appoint committees in each colony to lobby in the interests of the workers pending the time when (with payment of members) the workers should secure direct representation in Parliament. The time was nearer than they imagined.

At this same conference of 1884, sober Australian trade unionists found themselves for the first time fervent in the spirit of socialism. There was in these days in Queensland a prophet called William Lane, who went up and down the land crying: "Ho, every one that thirsteth, come ye to the waters!" The waters were turbulently Marxian; but Lane was at heart an English Puritan, a spiritual descendant of Winstanley and the digger-communists of seventeenth-century Sussex. In 1893 he gathered a band of disciples, who sold all that they had and gave into a common chest, and sailed away with him in the *Royal Tar* (for Lane was also a patriot) to build Jerusalem in the green, unpleasant land of Paraguay. They named their Jerusalem New Australia. Theirs was a magnificent venture, led by one of the heroes—and it failed. Dull people have told the story (interspersed with reflections on the French Revolution) as a cautionary tale for Communists.

Some of Lane's followers still live in Paraguay. They are staunch individualists. In Australia Lane's socialism still lives—not, it is true, the Utopian socialism which

founded New Australia, but rather the practical proselytising socialism which called upon the crafts to merge their undisciplined companies in a great working-class army, whose battalions would "move as one man for the common Labour cause." Lane gathered a considerable host of Queensland's workers into the *Australian Labour Federation*, whose manifesto, issued in 1889, is curiously modern in its expression both of the idealism and the opportunism of the Labour movement. The manifesto enumerates the demands of an uncompromising socialism, and concludes bluntly: "The reorganisation of society upon the above lines to be commenced at once and pursued uninterruptedly until social justice is secured to each and every citizen." But hard on the heels of this defiance follows "The People's Parliamentary Platform," a mild reformist document intended to woo electors who have no enthusiasm for socialism in our time. "This document," observes Mr. Portus, "is very interesting, because it reveals the appearance of a dilemma which has fronted Labour politicians since 1890. On the one hand, there is enthusiasm to be engendered. This needs the proclamation of a new social order and the profession of a new social creed. . . . On the other hand, there are votes to be won. Not all Australians are doctrinaires. Very many of them own their dwellings and draw savings bank interest. Many others are skilled men conscious of their equipment and its market value. . . ." And there are other voters, not trade unionists at all, whom Labour must win if it is to hold power, and whom it cannot win if it threatens revolution. ". . . Thus there has come about in Labour policy the familiar juxtaposition of collectivist aims and reformist programmes."

The collectivist aims are the passion of a very energetic minority; the reformist programmes are the

tool of a sensible but uninspiring majority. This majority is conservative and empirical in the familiar British fashion; it is weak in logic and strong in intuition; defeated in debate, it accepts an "objective" which is satisfactory to the "militants," but pursues a policy of palliatives which they despise. Thus there is within the Labour movement a perpetual bickering between the practical men and the idealists. The practical men complain that these impatient idealists, with their wild words and their wild actions (a strike at election time seems to the Labour politician a very wild action), ruin Labour's chances with the electors. And what can Labour achieve if it does not hold the State? The idealists retort that Labour Governments will achieve precious little if they creep into power by bribing the cowardly bourgeoisie. What can Labour achieve if it denies its own cause? The practical men always control the electoral machine, but sometimes a rebellion of the idealists gives them temporary control of some part of the industrial machine.

The idealists broke away in 1889-90. There was first of all that magnificent declaration of fraternity inspired by Lane, when a contribution of £30,000 from Australian workers (a sum which was seven times the size of the total contributions of the trade unionists of England) decided the issue of the London dockers' strike. It seemed then that the gates of capitalism could not prevail against the righteous armies of Labour. The idealists rushed headlong into a battle for "the closed shop." Decent men would not work with non-unionists. But this was making the pace too hot. Prices were falling, and already there were rumblings of the economic storm which in 1893 burst over the heads of a spendthrift community. The employers stood their ground and demanded "freedom of contract." Thus, in

the great strike of 1890, the very existence of unionism seemed to be at stake. The employers won a resounding victory. Public opinion and the Government supported their cause as the cause of "law and order." The idealists had led their followers almost to annihilation. But even while the Government was still stamping out the last embers of insurrection, the practical men took charge of the Labour movement. They seemed to be leading a retreat, but in reality they were planning a sortie.

In 1891 the practical men of the New South Wales Labour movement formed an electoral league, which put before the constituencies a platform of sixteen planks, expressing, not only the aims of moderate trade unionism, but also the political and social aspirations of Australia's radical democracy. In the same year thirty-six Labour men were returned to the New South Wales Parliament, where they organised themselves as a third party holding the balance of power. This meant that, despite its defeat in the great strike, unionism was safe. In the next ten years the moderates of Labour amply demonstrated the value of political action. In the first place, political action secured for trade unionism not only the recognition but even the favour of the State. The employers clung as long as they could to "the sound old principle of freedom of contract," but in the end they had to accept the official pronouncement of a Commonwealth judge: "It may seem very shocking in some quarters, but it is my duty, in obedience to the law, to treat unionism as a desirable aid in securing industrial peace." In the second place, political action secured for working men advantages which they could not have won by the most triumphant direct action unless (a fantastic supposition for Australia) it had been the direct action of successful revolution. For strikes

may conceivably secure for the trade unionist within his factory all those boons which a benevolent State may grant him; but the trade unionist is not everlastingly inside his factory. Two-thirds of his time he spends eating and sleeping and digging his garden, or taking his children to the beach, or arguing in public-houses, or watching football matches, or talking politics. The worker, after all, is a citizen; and if his friends control the Government he may expect to benefit, not only as a worker, but also as a citizen. Only the Legislature can make a tariff, or restrict immigration, or tax the community to provide more pensions, more medical attention, and more free education. It would not, indeed, be just to credit the Labour party with all the humanitarian legislation of the last forty years. Labour politicians have often complained that their opponents have caught them bathing and have stolen their clothes, but many of their own decent democratic garments have been filched from Liberal wardrobes. What Labour has done is to determine the standard of democratic fashions and to enforce their rapid adoption. And it was able to do this even before it held office.

The history of the Labour party until 1929 falls into three distinct periods. In the first period (which was not the least productive) it held the balance of power between the two older parties, and offered "support in return for concessions." As the spokesman of the party in New South Wales expressed it in 1891: "For we want to get as much as possible out of the honourable gentleman who sits at the head of the Government benches; and if we cannot get very much from him, then we must put someone in his place from whom we can get more." This period of profitable bargaining may be said to have ended about 1908. In the next couple of

years the older parties throughout Australia were forced into coalition, yet the Labour party achieved power against their united strength. This was the period of its most striking successes. It reached its climax of political triumph in 1915, when it governed the Commonwealth and five of the six States. But 1916 ushered in a third period in the party's history—a period of initial disaster, of partial recovery, of an uncertain future. In 1916 Labour split on the issue of conscription and expelled its old leaders. As a result, it lost power in the Commonwealth and in every State save Queensland. After the war it began gradually to climb out of its depression. By 1924 it had so far recovered its strength as to capture the majority of State Governments. But within five years it had been again ousted from every State save one. It seemed in this post-war period as if Labour must depend upon moderate swings of the pendulum; for the party made no real advance into new territory, and the political battle ebbed and flowed across the old frontiers. In the middle of 1929 the Labour party lost even Queensland. Its fortunes then touched their lowest level. But, before the year was ended, a violent reaction of the Australian electorate carried Labour in overwhelming strength to power in the Commonwealth. This election may open a new period in the history of the Labour party. But the period will be a very difficult one. Labour won this great political victory at a time when economic forces were threatening to undermine many of its old achievements. Not only was there no margin for social experiment; even "the settled policy of the country" was on the defensive. It almost seemed as if the "party of movement" would be compelled to produce a Government of conservatism.

The interpretation of these various chapters in the history of the Labour party must be sought in a study—first, of its organisation; and secondly, of its programme and “objective.”

There are, of course, special regional variations and peculiarities of Australian politics which (in a book more precise and leisurely than this) it would be profitable to examine. For example, there are the regional peculiarities of the electoral map. There is the anomaly of Queensland, which for fourteen years has returned Labour Governments in the State, while it has regularly sent a strong Nationalist contingent to the Federal House of Representatives and has persistently selected Nationalist senators. There is, on the other hand, the anomaly of Victoria, which in the sphere of Commonwealth politics has been fairly evenly divided between Labour and Labour's opponents, yet in State politics has been almost uninterruptedly anti-Labour. Some of these oddities are a reflection of Australia's reluctance to reproduce in the political system her urban concentration of numbers. The Commonwealth electoral laws allow a “margin of allowance” which may give to voters in a country constituency an influence which is greater by one-fifth than that which belongs to voters in the average Commonwealth constituency. In Victoria, country voters enjoy an even greater predominance. This is a serious handicap to the Labour party. Queensland, on the other hand, is unique in that the Labour vote for its State Parliament has been predominantly a vote of country electorates—a vote of farmers who are appeased by “development,” and of shearers, stockmen, miners, cane-cutters, itinerant State employés and their friends. For these classes are particularly numerous in Queensland. At the same time, Queensland's Nationalist repre-



sentatives in the Commonwealth Parliament have bargained successfully on behalf of the sugar industry, and the electors see no reason to throw them over so long as they protect this great sectional interest. It should be added that Australian political parties (like parties in other parts of the world) are at times ready to dig themselves in by gerrymandering the electorate—although the electorate may punish them if they gerrymander too brazenly. For many years the Labour Governments of Queensland and the anti-Labour Governments of Victoria were able to secure their succession by arranging and conserving an electoral balance favourable to their interests. To deal with this matter at all satisfactorily, it would be necessary to go into great detail. A close examination of Australia's electoral map would indeed be a most profitable and entertaining exercise; but in a sketch such as this it is necessary to assume a generally uniform electoral background to party organisation, principles, and interests.

Although the organisation of the Australian Labour Party is not everywhere absolutely uniform, its strength consists in its great symmetry, discipline, and continent-wide cohesion. Every unionist is automatically a member of the *A.L.P.*, and supporters of Labour who are not unionists may become active members of the party by paying a small subscription and joining a local *branch*. In the cities, a branch is coterminous with a constituency; in the country, it is centred in a township or some other convenient grouping. Members of branches join with the unionists who live in the same area to choose by a *pre-selection ballot* the local party candidate, and to elect delegates to attend the *State conference* of the party. The conference has been baptised with a variety of names in the various States. It usually meets once every

year. Its function is to draw up the *State platform*, and to elect delegates to the *Australian conference* of the party, which meets triennially and draws up the *Commonwealth platform*. This is a very summary sketch of the Labour Party's organisation, and it makes no allowance for certain Western Australian variations from the model. It should nevertheless be evident that the Labour party has achieved a concentration of local machinery which is hardly less symmetrical than that which is planned to exist in a system of soviets. But the Labour organisation is more than a concentration of local machinery. The separate local organisations count in practice for very little, even in the selection of candidates. The essential disciplinary and controlling power, in State politics, is the *State executive*, which acts as a "committee of permanence" in the intervals between conferences. In 1915 the Commonwealth conference also established a *Commonwealth executive*.

The individual member of Parliament is very strictly controlled by the party organisation. The principle of severe party discipline was established in New South Wales during the last decade of the nineteenth century. Some of the thirty-six Labour members so sensationally elected in 1891 were inclined to think of themselves as national representatives rather than as delegates chosen by one interest within the community. To "solidarity" they opposed "independence." "Solidarity" triumphed, for it was proved in the next few years that "independence" would break Labour's political weapon. It seemed hardly worth while drawing up a platform unless Labour members were pledged to be its disciplined and loyal servants. The *pledge* very early became an essential part of the Labour system. Every member of the party who submits his name to a pre-

selection ballot binds himself not to oppose any selected Labour candidate, and, in the event of his being chosen by the party and returned by the constituency, to do his utmost to carry out the party platform, voting on all matters affecting the platform as a majority of the parliamentary party may decide at a duly constituted caucus meeting. The *caucus*, which consists of all members of the party in both Houses of the Legislature, meets at least once a week, and, after thorough discussion, decides what course the party will follow in debate. It cannot be denied that this is a notable departure from the traditional English practice of responsible Government. To begin with, it permits members of one branch of the Legislature to influence and perhaps decide in advance the conduct of members in the other branch. Moreover, the head of the Government surrenders to caucus his function of arbitration and final decision within the Cabinet, which is elected by caucus and responsible to caucus. In 1916 a Labour Premier of New South Wales, having been censured by a body outside Parliament, handed his resignation, not to the official head of the State, but to caucus. Yet caucus is by no means all-powerful. Ministers may be the delegates of caucus; but is not caucus the delegate of conference? Conference, it is true, meets only for short periods. Its normal state is dissolution. But before each dissolution it creates an executive charged with the duty of keeping watch over the orthodoxy of temporising politicians. The comfortable bourgeois atmosphere of Parliament is so corrupting! Yet (so strange is human nature) it is the destiny, not always unforeseen and unwelcomed, of many an unbending zealot of conference to fight his way into the select company of politicians by the very simple process of criticising them and upbraiding them. And

when he is of their number he finds himself compelled by circumstances to side with them in the "running fight for the control of the political side of the movement between the parliamentarians and the conference." From time to time there are reports of terrific battles within conference between the political and the industrial wings of the Labour movement. But in fact both wings are political. The right wing tends to be preoccupied with electoral tactics and the difficulties of government; the left wing is in touch with militant unionism and the enthusiasts of the movement. But even these delegates of the left are politicians. Otherwise they would not be delegates, struggling to control, in the interests of their faction, Labour's political machine.

The practice of the Australian Labour party makes England's classic philosophy of parliamentary government appear strangely artless and out of date. "Every member," says Blackstone, "though chosen by one particular district, when elected or returned, serves for the whole realm. For the end of his coming thither is not particular, but general; not barely to advantage his constituents, but the Commonwealth." At no period of Australian history has parliamentary practice corresponded with this theory. Before the advent of Labour politics tended to be a battle of the Ins and Outs, in which a member of Parliament readily assumed that the chief end of his coming thither was precisely to advantage his constituents. Every Labour member is now sent thither to advantage his class. The entire system of pre-selection, platform, pledge, caucus, conference, and executive is constructed for this very purpose. Yet the purpose is never to any alarming extent realised. Australian experience suggests that the most formidable organisation of the labouring classes can

never, under the British parliamentary system, become the instrument of class domination. Despite the lamentations of the comfortable classes, they have never really suffered from the oppressions of Labour. Under the traditional English convention, which makes the electorate the grand inquisition of the nation and forces responsibility upon the strongest body within the Legislature, the party system cannot fail to remain, what it has always been, an instrument for governing society and not an instrument for turning it upside down.

It may be true that modern party organisation, by withdrawing power from the old inherited institutions, is gradually preparing a new political framework and governmental system. It may be possible to imagine a time when Parliament has become no more than a "dignified" part of the Constitution, and perhaps not even that. But this is the vaguest speculation. The historical importance of Labour organisation consists in the efficiency with which it has adapted the old institutions to new purposes. Labour has made parliamentary struggles realistic in the sense that the parties now stand for definite interests. It has done a great deal to free political life from the perpetual anarchy of local jobbery and the blackmail of factions. The fragmentation of anti-Labour forces in recent years has given the Australians a salutary reminder of evils which were chronic in the nineteenth century. Labour discipline has performed a service to Australia by simplifying politics and making them intelligible to the voters. But the voters are not always grateful. The ordinary Australian is more apt to denounce the defects of the party's organisation than to do justice to its merits. Australia is becoming weary of what it calls "machine politics." The very efficiency of the machine tends to kill enthusiasm. The

whole system is designed to enforce orthodoxy at the expense of leadership. It tends to produce the "invisible government" of commonplace cliques competing with each other for the privilege of manipulating the machine. In this way the most characteristic movement of Australian democracy may in the end produce a system of government which is, in the strict sense of the word, unpopular.

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Moreover, the Labour party has achieved many of its early objectives; the flavour of old triumphs is stale, yet it has found no new purpose which it can pursue with the old zest.

In its youth and its prime it appealed strongly to Australia's radical nationalism. Next to the *Sydney Bulletin* it was the most emphatic product of Australian sentiment. The Commonwealth Labour party defined its objective in 1908, on the very eve of its great triumph, as—“(a) The cultivation of an Australian sentiment, based upon the maintenance of racial purity and the development in Australia of an enlightened and self-reliant community. (b) The securing of the full results of their industry to all producers, by the collective ownership of monopolies and the extension of the industrial and economic functions of the State and municipality.” This objective may be regarded as a fair interpretation, in terms of politics, of the protestant nationalism of Australia's poets, which repudiated in their country's name the baleful power of “Mammon” and “the West.” It is a fair interpretation of Australia's firm resolve that “human life is not to be treated in the game of competition as if it were a ball to be kicked.” In its objective the Labour party declared Australia's

national faith ; and the nine planks of the "fighting platform," which gave precision to this declaration, expressed, every one of them, the ideal of a self-respecting, independent Australian nation, whose very personality must consist in its devotion to social righteousness. Australia must be a white man's country ; it must not sell its birthright to foreign capitalists ; it must provide for its own defence ; it must foster its own mercantile marine ; it must do justice against the land monopolist and the industrial monopolist ; it must care for the aged ; it must hold the ring and see fair play between capital and labour. These, surely, were ends for which Australian patriots could fight. Nor did the leaders of Labour forget that their country was part of a larger unity in whose strength, and in whose strength alone, Australia was free to be herself. It was Fisher, Australia's Labour Prime Minister, who first described the British Empire as "a family of nations," and who in 1914 pledged his country to uphold the common cause "to the last man and the last shilling."

It would be absurd to suggest that Labour policy before the war was a policy of principles and not of interests. It was a policy of principles and interests. After the war the interests remained the same, but the principles seemed to have changed. The strain of the war broke the old radical-nationalist party of Fisher and Hughes. After the conscription referenda, the practical Australian nationalism of the old leaders, which was always reconcilable with a strong Imperial sentiment, became for a time the exclusive political property of Labour's opponents. Although in practice Labour politicians preached Australia for the Australians and a sort of *Sinn Fein* exclusiveness, Labour's new ideology had the colour of international pacificism. It also had the

colour of international socialism. In 1921 the Labour party adopted as its professed objective "the socialisation of industry, production, distribution, and exchange." Since that date Labour politicians have been compelled to profess and call themselves (but not joyfully nor in the market-place) socialists. The new objective has been a handicap to the practical men of the Labour movement in their efforts to win the constituencies. In the old days the party leader might well have opened a campaign by reading out the party objective, and then treating each plank in the fighting platform as a commentary upon that text. In these days the political leaders of Labour are reticent about their objective, which is quoted in the meetings of Labour's opponents and pushed forward as a bogie to frighten the electors. It is not true to say, as is often said, that Australian Labour has no doctrines. Australian Labour has doctrines, but the majority of Australians have none. It is the political misfortune of the Labour party that its old nationalistic doctrines appealed directly and powerfully to the instinct of the Australian people, whereas its new socialistic doctrines are repugnant to their instinct. For the socialism which is defined in the party's objective is orthodox socialism, the sort of socialism which the believers of Germany or Italy profess; it is a European product. But the old Australian experimentalism which some people called socialism was not really socialism at all; it was rather the practical utilitarianism preached by John Stuart Mill in his later days, running towards State action under the pressure of circumstances. Australians understood that sort of thing ("It is my brand of socialism," said Fisher) and still understand it. It has become almost a part of their national character. The practical men of the Labour



party understand this character perfectly, and wish that they were free from the embarrassing doctrines thrust upon them by the idealists.

In practice they try to ignore the doctrines. Their electoral propaganda remains in fact the same propaganda which was so fruitful in pre-war days. In some respects it is even more nationalist and empirical than it was then—for example, it now demands a tariff raised almost to the point of prohibition. Since the war the practical men have instinctively struggled to broaden the party outwards from its strict class basis, and to make it once again a national party. The elections of 1929 are a tribute to their success. But the success has been painfully won, and there is no guarantee that it will be permanent.

It is possible to group with some degree of accuracy the opposing forces of moderates and militants, of practical men and idealists, of right and left. On the extreme left are the Communists. Their numbers are inconsiderable, but their influence, in New South Wales, is not altogether negligible. Sydney is the home of the Australian branch of the *Pan-Pacific Secretariat*, an organisation which seeks to link with Moscow the workers of all countries bordering on the Pacific, and which is pledged "to fight against and remove all racial and national barriers which still divide the exploited and oppressed classes to the advantage of the exploiters and oppressors." The *Pan-Pacific Secretariat* has the strong support of some members of the *Sydney Trades and Labour Council*, who, however, deny that they are Communists. The *Sydney Trades and Labour Council* is the stronghold of left-wing opinion within the Labour movement, and has exercised a powerful influence upon the *Australian Council of Trade Unions*. That

body was established in 1927, and represents the tardy and incomplete success of a movement which, between 1879 and 1927, made no less than fifteen attempts to give to Labour an industrial cohesion comparable with its political cohesion. The *A.C.T.U.* still has to prove itself as an effective power. It may, however, be counted as a left-wing organisation, not merely because it has been persuaded to affiliate with the Pan-Pacific Secretariat (that action counts for very little), but because it attacks the vested interests of the old trades unionism. It aims to establish unity of administration and control over the whole industrial movement, and to transform Australian unionism from a craft to an industrial basis. It is therefore committed to a struggle against the small, discrete fragments of industrial Labour, and, at the same time, it has provoked the hostility of Labour's largest and strongest body, the Australian Workers' Union.

The *A.W.U.* is the core of the right-wing forces within the Labour movement. It is, in itself, a great confederation of labour, and is extremely well managed by hard-headed and business-like leaders. It is predominantly a union of Bush workers, covering the whole continent and including the most distinctive Australian types. It believes in political action, and trains an extremely large proportion of Australia's Labour politicians. It has a strong vested interest in the *status quo*. Its officials may usually be trusted to support at party conferences the parliamentary members of the party. These are (with rare exceptions) another rallying-point for right-wing opinion within the movement. In normal times the right wing is predominant. Even the so-called militants are usually ready to compromise. The *A.C.T.U.*, in the same session in which it affiliated itself to the Pan-Pacific Secretariat, resolved to enter an industrial peace confer-

ence with the employers. The truth is that Australian Labour, even when it professes to be militant and revolutionary, does not really believe half of what it says. In its heart it hopes that the capitalists will observe the rules of the game, and that the community will act as referee. Much of its militant roaring is no more than that "barracking" for which Australian sporting crowds are famous.

The main lines of cleavage between left and right are easily discerned ; but there is considerable coming and going between the two camps, and the co-existence of different aims and methods or the succession of one set to the other frequently creates a great deal of confusion and a considerable amount of bad temper, both within the party and outside it. The question of industrial arbitration well illustrates this state of affairs. In 1904-1905 the problem of industrial arbitration overthrew three Ministries in quick succession ; a generation later the same problem was still wrecking Governments. The method of its solution is of the most vital importance to the Labour movement. The Labour movement is essentially a function of trade unionism ; but trade unionism, as it now exists, is to a considerable degree the product of industrial arbitration. The system has been responsible for a rapid increase in the numbers of trade unionists. Even the wages board systems of Victoria and Tasmania favour the growth of working-class organisation, for they bring workers together for the purpose of electing their representatives to the boards. But the effect of the judicial regulation of industry (even apart from the system of preference to **unionists** which has frequently accompanied it) is practically to compel trade union organisation. Only **organised** bodies can approach the courts. Some unions are to all

intents and purposes built upon the awards of the courts. What happened in the early days of industrial arbitration was that the officials of a union, having obtained an award which raised wages and improved conditions all round, would go through the country and say to the workers in their craft or industry: "See what we have done for you." The men could not stand out. Added to this was the effect of the Commonwealth Court in promoting the Interstate organisation of Labour. In 1927 there were 369 separate associations and groups of associations in Australia, of which 107 were organised on an Interstate basis. These 107 associations contained 81 per cent. of Australia's 911,652 unionists. Because of Australia's Federal system a considerable proportion of this 81 per cent. had access to State tribunals as well.

The left-wing idealists assert that the unions have lost in quality more than they have gained in numbers. They complain that industrial arbitration destroys the interest and enthusiasm of the rank and file; for the system has produced a species of trade union official who acquires a special kind of pettifogging skill in the handling of court business which the great majority of union members are content to leave within his hands. Moreover, they complain that industrial arbitration ties the unions to the State and ties the State to the capitalist system. This, certainly, is its intention. The protection of unionism by the State carries with it considerable control of unionism by the State. Where the State gives privileges it must impose obligations. If it takes special notice of a group within its jurisdiction it must interest itself in the constitution and action of that group. If the State does not control the group the group may begin to control the State. Now the party of action within

every Labour movement looks forward to this very end—that the group should control the State. Therefore it must resent a system which, while it organises Labour, simultaneously “tames” it. In Italy the “recognition of the syndicates” has meant the recognition of them as groupings absorbed within the State and subdued to its discipline. Perhaps it is not altogether fantastic to see in the short-lived Amending Arbitration Act of 1928—with its insistence on penalties for the breach of awards, its insistence on the collective responsibility of unions for the disorders let loose by sections and fragments of their management, its assertion for the Commonwealth Court of a right to order and supervise secret ballots on matters of union policy and to exercise a stricter control over union rules—some faint tendency of drift towards the “corporative State.” But the tendency, if it was present in this Act, was the outcome, not of deliberate purpose, but of exasperation. It was an attempt to enforce the old original principle that industry, under the system of compulsory arbitration, was a new province for law and order. But even moderate Labour opinion has never accepted all the logical and legal implications of this principle. It has never really believed that strikes are illegal acts. Its own idea has been “arbitration plus strikes”—strikes being a necessary safety-valve. The Act of 1928 threatened to close this safety-valve; it endeavoured to round off the arbitration system into logical perfection. Labour’s idealists retorted with their own logic. A whole series of left-wing pronouncements and demonstrations repudiated the awards of “class-biassed judges” and all the theory underlying those awards. Times were favourable for a revolt. Great masses of unionists were ready to listen to left-wing oratory and to down tools, not

because of any theory, but because arbitration awards were reflecting a noticeable diminution of Australia's prosperity. The practical men of the Labour movement were forced upon the defensive, for they accepted neither the logic of their left-wing supporters nor that of their political opponents.

The practical men got their chance at the end of 1929. For the Commonwealth Government, still logical, endeavoured to cut the knot of a thousand perplexities by returning to the States almost the whole business of industrial arbitration. The entire Labour movement rallied immediately to its political leaders, and along with the solid body of trade unionists came an assortment of special interests and the wavering middle vote of the constituencies. Labour was sent back into office with instructions to maintain "the settled policy of the country." The electorate had rejected the idealists of both parties.

It has been necessary to chronicle these events, not merely because they are recent, but because they illuminate the complication of forces which are at work within and around the Labour movement. If it were possible to measure the strength of those forces it would also be possible to foretell Labour's future. Labour today is hampered by its earlier successes. It has long since gained its immediate objectives, which were of the kind to attract nationalist enthusiasm and the unattached middle vote in the Australian electorate. Having gained these objectives, it has found no policy which will rally the whole-hearted support of all its followers and at the same time win constant approval from the unpledged part of the electorate. This means that it is just a political party, based upon a class in the community, but reaching out to represent small-

income people generally. As such it must take its chances on the swing of the political pendulum, and it must rely on the mistakes of its opponents in order to win power. And what is it to do when it has won power? So much it has achieved already—so many planks of its original fighting platform have been made law—yet the transformation of society (and, after all, the pioneers of the Labour movement did believe that society might be transformed) seems no nearer than it has ever been. The idealists wish to press on with the work of transforming society, and suspect that practical men and parliamentary methods are incapable of achieving it. The practical men have to appease the idealists without terrifying the electorate. For if the idealists get out of hand Labour will not long remain in office. The politicians of Labour try to keep a just balance between their left-wing supporters and the floating vote in the constituencies. The balance exists only to be destroyed and to be remade again. Its state at any given period depends in large measure on the economic condition of the country. This, perhaps, is the crux of the matter. A generation ago, to Australia's idealistic democracy, economic and social problems seemed easy to solve. Australia is now beginning to learn that they are difficult. This new knowledge may induce futile anger, or a spirit of revolt, or new habits of thinking and planning. Perhaps the auguries will brighten once more for Labour and for democracy when they begin to understand that their triumph is not predestined.

## CHAPTER XI

### THE PARTIES OF RESISTANCE

It is curious to observe how the unconscious logic of representative government imposes itself upon the conscious logic of a movement which is drilled and disciplined to exploit representative government as the means to an end. Every State of the Commonwealth has had, since the war, some experience of a Labour Government ; but in no State, save perhaps New South Wales, has this Government resembled even faintly the rule of the many and poor. In every State, save New South Wales, there has been an increasing antithesis between the socialistic objective of the Labour movement and the opportunist, non-socialistic policies of Labour Governments. The majority of working-men tolerate this opportunism, partly because they care very little for socialism, and partly because they are pleased to see their own leaders holding the helm of State, no matter how cautiously and conventionally they guide it. Moreover, even if these leaders do not always govern *for* the workers, they will not (though in Queensland a Labour Premier dared even this and paid the penalty) govern *against* them. But this is only the beginning of the paradox. No party can govern against the workers. The same necessity which tempers the zeal of Labour politicians moderates the ardour of their opponents. They, too, must go scouting from their base of class interest and instinct and theory far out into the electoral no-man's-land, where free companies and guerilla mercenaries wander irresolutely between the two armies.



which chaffer for their support. The free companies are sometimes ridiculously small (in the country districts of South Australia, over a long period of years, a party's vote seldom fluctuated by more than 5 per cent. from its normal strength), but their adherence to one side or the other is decisive of electoral battles. Their numbers may be contemptible, but their price is high.

Moreover, the opposing political armies must contend on a field which has been levelled by the busy spade of government and watered by the gentle rain of humanitarianism. The field exhales an atmosphere which is mild and misty, and which corrodes the weapons sharpened by the zealots of opposing classes for the arming of their political champions. The champions seem very angry, but they do not fight to the death. If the Labour party dare not practise socialism, the Nationalist party dare not even profess individualism. The platform of the Australian National Federation, as adopted at the Fourth Interstate Conference in 1926, professes belief in child endowment, unemployment insurance (to be uniform throughout all States), and "the establishment throughout Australia of a uniform working week in each industry, which shall be as short as is permitted by the economic requirements of the nation." It protests the devotion of the Nationalist party to the policies of Protection, of organised marketing, of "vigorous development." These planks, and others which might be taken from the platform at random (as they have been put into it), would serve very well for the legislative programme of a new Labour Ministry. The Nationalist party platform, it is true, counts for very little—even as propaganda. It is large and untidy and frequently ambiguous. No single section of it

suggests urgency. Nationalist policy is not dictated in party congresses, but is framed experimentally by the parliamentary leaders. Perhaps for this very reason it is always sensitive to the political atmosphere. In this atmosphere strenuous old-fashioned individualism mopes and pines like a pelican in the wilderness. There are in Australia unrepentant individualists and uncompromising socialists; but the rebellious wills of both have always been absorbed in the general will, the *real* will of the Australian people—in that elaborate regulative and bureaucratic system which has been erected upon the ideas of “fair and reasonable,” of individual rights and governmental obligations.

It is very easy to prove that the parties which have opposed Labour (they have made unnecessary confusion by the multiplicity of their names and changes of name) have flourished neither by grinding the faces of the poor nor by waving high the banner of anti-socialism. When M. Albert Métin made his study of Australia's *socialisme sans doctrines*, no Labour Government had as yet held power in any Australian colony. In the second half of the nineteenth century the interest of Victorian politics lay in a rather disorderly struggle between groups which may be called “liberal” and “conservative.” It was the task of the Liberals, first, to win political power for “mere numbers,” and, secondly, to wield the power of the State on their behalf. After theoretical democracy, untheoretical socialism. . . . Colonial politics of that period knew no disciplined parties, and amid the confusion of shifting groups and unstable Ministries loomed David Syme, the editor-proprietor of a great newspaper, the most dour and formidable of radical chieftains, the maker and unmaker of Governments. It was Syme's unwavering purpose to break the monopoly of squatters and im-

porters, to make "standing room in the young colony for farmers and for other people who were neither squatters, nor merchants, nor diggers." His instrument was the State. "I never could see any virtue in *laissez faire*," he wrote. "It is simply an excuse for incapacity and inertia in affairs of State. It is a policy of drift. It is just what the company-promoter, the card-sharper, the wife-deserter, and the burglar would like—to be left alone. It can only lead to national disaster and social degradation when carried out in any community." Inspired by Syme, Victorian Governments endeavoured to establish a sturdy yeomanry in the country, and to build up in the city a class of dexterous artisans. Believing that industry existed, not for the sake of foreign trade, but for the sake of "the masses of each separate nationality" (the antithesis is his own), Syme declared that he would not rest "till Victoria is encompassed with a tariff wall that will enable the local manufacturers to pay the local artisans a fair living wage and at the same time to compete in the local market with the imported productions of underpaid foreign labour." Here is foreshadowed the system of New-protection, of "fair and reasonable conditions of labour" enforced by the State behind its tariff wall. Before the end of the nineteenth century Victorian Liberals had established the system of wages boards, and South Australian Liberals had established the system of industrial arbitration. The Labour party, when it emerged, had only to emphasise and make more urgent the programme which it inherited from the Liberals. The Liberal party still continued to tread—perhaps with less confidence, for a rival was now forcing the pace—the familiar path of semi-socialism. That elaborate Victorian system of Government enterprise described in Chapter VIII. was built up by Liberals in the first twenty years

of the twentieth century, during which Labour held office in the State for no more than thirteen days.

Federation removed the tariff and other large national issues from the sphere of State politics ; and it is in the sphere of Commonwealth politics that the fortunes of the parties opposed to Labour may be most conveniently considered. At the beginning of the century the Labour party was united on everything except the fiscal issue, which it was then content to treat as a matter for individual judgment. At war with Labour and with each other were two older parties, one favouring Free Trade and the other Protection. Each of these parties presented an unbroken front on the fiscal issue, but each was internally divided on many other issues. It was difficult, complained Deakin, to play the game of politics with three elevens in the field ; but that was not the whole trouble. To the inconveniences of the three-party system were added the inconveniences of the group system, which was not a system at all, but rather chaos. When in 1904-1905 three Ministries followed and fell on each other's heels, Deakin exclaimed in exasperation : " In some way or other the three parties must be reduced to two." By accepting the support of the Labour party (at the price of driving some of his own followers into an anti-Labour " corner ") Deakin was able to give the Commonwealth stable government for three and a half years (May, 1905, to December, 1908). Within this short period all the positive policies of Australian nationalism were launched. This is the era of Protection and New-protection and Imperial Preference, of plans for a national navy, of the selection of Canberra as the site of the national capital, of projects for the extension of Commonwealth powers (destined to be served up to the Australian people with monotonous regularity throughout the next twenty years), of old age pensions

of the Harvester award, of the system of "fair and reasonable." The Free Trade opposition under Reid waved the banner of anti-socialism, and tried in vain to dam the spate of Liberal legislation. The Labour party, although it outnumbered Deakin's followers by three to two, was content that Liberalism should do its work. But when Liberalism at last began to look uncertainly for new worlds to conquer (some Liberals were half afraid that they had already conquered too many), then Labour decided to take charge of the national destinies. "Our party has kept the Deakin Government in office for nearly three years," declared one of the Labour leaders, "until dry rot has set in. . . ." Labour overthrew the Deakin Government in December, 1908, but it did not overthrow the Deakin policy. It was content to make that policy rather more emphatic. It extended protection to cover Australian shipping; it enlarged the scope of arbitration; it imposed a land tax; it established a maternity bonus and the Commonwealth bank—and that, practically, was all that it added of "dangerous innovation." It is therefore apparent that the later generation of Liberals, which has grown restive under the yoke of Government "interference," and asserts that "things must be put back on an economic basis once again," is in rebellion against a system built up by the earlier, more sanguine Liberalism. Liberalism is an ambiguous word. It is, indeed, out of date in every State of the Commonwealth save South Australia. Since the last years of the war the Liberals have called themselves Nationalists.

From the political philology of Australia may be quarried a good deal of political history. *Conservative* is a word which has no currency at all; in Australia it signifies *reactionary*. Similarly, if a politician declares that he is *liberal*, his audience will understand that he is by

nature *conservative*. *Nationalist* is a word which covers a multitude of diversities ; the party which uses the label could not hope to find one more useful, for it still has some appeal to patriotic eyes, and is conveniently empty of precise meaning. Yet if these party titles do not indicate clear-cut qualities, they are at least a record of events and crises. Until 1908 the word *liberal* is associated with the growing power of Labour ; from 1909 to 1916 it marks a stage in the organisation of forces hostile to Labour. For when the Labour party upset the Deakin Government at the end of 1908, Protectionists and Free Traders forgot their ancient quarrels, joined forces (this was the *fusion*), and turned Labour out again ! The anti-socialists accepted the suspected name of Liberal and the suspected leadership of Deakin, and were recompensed when they heard him profess a stern resolve "to fight any tendency to fatten up our industries for consumption by the Government of the Commonwealth." As for Deakin, he wrote in wondering perplexity : " Behind me sit the whole of my opponents since federation." The fusion, nevertheless, was natural and inevitable. Liberalism of the Syme and Deakin brand had exhausted its programme. If the weary battlers for free trade and free enterprise were willing to accept—for fear lest worse befall—what the Liberals had already done, why should not the Liberals—who felt that they had done enough—accept from their old enemies the pledges of surrender and acquiescence ? The fusion of parties safeguarded Deakin's work and made it (to quote once more a popular phrase) "the settled policy of the country." Here was firm foundation for a new conservatism. Yet the equilibrium of opposing forces within this aggregation which called itself the Liberal party was only momentary. The old Protectionists wished to rest, but not to stay still for

ever ; the old Free Traders hoped, in their hearts, for a retreat. When Joseph Cook, who had been Reid's lieutenant, inherited the leadership of the party, "anti-socialism" began to gain the upper hand. But then came the war.

The war compelled politicians of all parties (as a Labour leader exulted) to burn their books on political economy. Governments regulated everything. Moreover, since the war was fought to make the world safe for democracy, the masses in all democratic countries were encouraged to believe that peace would mark the beginning of "a new social order." Australian opinion was in the mood for further progress along the road explored by Deakin and Fisher. And there was no party which cared to resist the new advance. In 1908 the original party of resistance had accepted the Deakin Liberals ; ten years later this enlarged party of resistance (which called itself Liberal and was becoming truly conservative) opened its ranks to the expelled Labour leaders who followed Hughes. The new fusion was not made in a day. A year of coalition (1917) intervened between the repudiation of Hughes by his old followers and the acceptance of him by his old opponents. When at last they accepted him (January, 1918) they accepted him as master. They renounced more than their party name. There is justice in the claim so frequently made by Mr. Hughes, that he was the creator of the Nationalist party. Until the end of 1922 he dominated it. When the Labour party expelled its leaders, it condemned itself to long wanderings in the wilderness ; when the Liberal party accepted them, it condemned itself to defend and even to enlarge the gains of Labour. The conservative individualistic faction—the remnant which had remained faithful to the ideas of Reid—was once again submerged.

There do exist strong conservative interests in Australia, but they have been persistently baffled and thwarted in their attempts to express themselves effectively in the parliamentary struggle. Australia has never once witnessed a resolute conservative counter-attack against the radicals. Conservative politicians have preferred to break the force of the radical attack by counter-penetration. Labour has been opposed by "ever-expanding coalitions of defence" which pay their new recruits by docking the pay of their old ones. The necessity of subordinating class interests to electoral tactics imposes itself also on the Labour party; but within the Labour party it is resisted and checked by strong disciplines binding the politicians to the organised working-classes. In the Nationalist party there are no such disciplines. The Nationalists, of course, have their party "machine," which on paper appears little less elaborate than the Labour organisation. There is an *Australian National Federation* which holds a conference every three years. Its business is to draw up the party platform and to elect an executive of eighteen members, three from each *division* of the National Federation—that is, from each State of the Commonwealth. But in practice half of the divisions never bother to send their full quota of six delegates to the conference, and some of them send no delegates at all. As a result they have little or no representation on the executive. Theoretically, the conservative opinion of the outlying discontented States may at its will impose itself on the Australian National Federation, and wipe from the party platform those reformist programmes stamped with the ideology of Deakin's Radicals and Hughes' Labour men. In practice members of the Nationalist party in the less populated States of Australia have just so much power of determining its policy as have



the smaller European States of dominating the League of Nations. Party programmes and even party organisations are in fact controlled by the parliamentary leaders. This is true even in Western Australia, where the classes which vote for the Nationalist party are generally hostile to that "settled policy of the Commonwealth" which Nationalist politicians (being averse from political suicide) have been reluctant to challenge.

Conservative opinion may assert itself more easily in State politics. It will be worth while examining the strong organisation which the forces opposed to Labour have built up in South Australia, a State which once was strongly radical. The fact that the conservatives of South Australia still profess and call themselves Liberals is in itself an indication that they have comfortably absorbed the fragments of the Labour party to which they opened their ranks during the last years of the war. In South Australia the National Labour faction was weak in personal authority. Moreover, Liberalism was more homogeneous there than it was in the eastern States. The pastoral, agricultural, and commercial interests which dominate South Australia are wont to present a united front on economic and political questions. Conditions have therefore favoured the growth of an unusually strong party organisation which has spread its network over the whole State, and which by means of its *branches, district committees, council, and executive* mobilises about one elector in every twelve to work in the party's interests. It is a feature of the Liberal organisation that the council and the executive are very large bodies; and there are half a dozen special committees which serve to keep the members of these bodies active and interested. Every party member has some share of responsibility in the choice of party candidates. It is clear that under vigorous

leadership the Liberal Federation can be a very efficient organisation for spreading political propaganda and managing electoral campaigns. The Federation does not attempt to control the Liberal party in Parliament. It contents itself with exacting from the candidates who seek its backing a pledge that they will "support the principles of the Federation in Parliament, and not contest the election if not selected." Once they have been selected by the party organisation and returned to Parliament by the electors they look to the Liberal Federation, not as to a master who gives orders, but as to a servant and ally who works for them in their constituencies. The leader of the party in Parliament chooses his Cabinet, and the members of the Cabinet are collectively responsible to Parliament, not individually responsible to a caucus. Thus the Liberal Federation in South Australia (and this is true, *a fortiori*, of the weaker Nationalist organisations in other States) has not departed very far from the British model of party organisation. The party machine is unable to impose a very stringent discipline upon members of Parliament, because the machine is not moved by a single coherent and disciplined class. The various organisations of employers which exist in Australia (Chamber of Manufacturers, Chamber of Commerce, Employers' Federation, etc.) may hold strong political opinions and do their best to propagate them, but they do not play a direct part in the political struggle. They have no place in the framework of any party. The only interest, other than that of the wage-earners, which has effectively organised itself for politics is the farming interest.

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The Country party is (except in Western Australia) a phenomenon of the post-war period. Within a few years

of its emergence it was strong enough to play a decisive part in politics. It originated as a protest against the Nationalist practice of resisting Labour programmes by copying them. It preferred to copy Labour disciplines. For, like the Labour party, the Country party has a well-defined class basis. It represents the seceding farmers. It is as if Western Australia were to revolt from the Australian Commonwealth. For the Nationalist party is a federation of divergent and sometimes conflicting interests—of regional interests (such as the Queensland sugar interest), of manufacturing and commercial interests, of city interests and country interests, of countless fragmented special interests in both city and country. It is an immense simplification of politics that these groups should struggle to assert themselves within a party to which they confess a common loyalty rather than that each should assert its own separate identity and fight for its own particular spoil over quicksands of dissolving combinations amidst ever-changing pacts of covetousness. But the system has its own dangers. It does not favour resolute and decided leadership. Should there be need for surgery upon the body politic, the Government can hardly operate with a steady hand, so insistently is its elbow jogged by clamorous, disputing assistants. Leadership tends to dwindle into management, into the astute adjustment of differences. And adjustment tends always to favour the vague and tolerant minds, the late-comers, the groups which lie on the margin of the party, the interests which hesitate just beyond its margin. Compromise is easier that it is in the Labour party, but ultimately it is more damaging, for it is made persistently at the expense of one section, which sulks. But the farmers did more than sulk.

The revolt of the farmers towards the end of the war

has made its own legend. The enthusiasm of Governments for driving farmers into "pools" and fixing prices for their produce reached a limit of fantastic impracticability (so the legend begins) when the Commonwealth Government announced its intention of commandeering live-stock and selling meat to the industrial population of Melbourne at "fair and reasonable" prices. In Victoria there exists a class of small but substantial farmers who live by their skill in judging stock and markets, by buying and fattening beasts for the Melbourne butchers. These men saw their living in jeopardy, and descended upon Melbourne to protest to the Government. The Government refused to listen to them. So they demonstrated angrily outside Parliament House. The Government gave way. It was a victory for the conservative farmer, who went back to his work contented, having demonstrated to others less conservative, the possibilities of political action. . . . The legend may be true; it is certainly *ben trovato*. But it over-stresses the sudden dramatic inspiration of the farmers' revolt. Long before the war there had existed, in all parts of Australia, Farmers' and Settlers' Associations which at their annual conferences considered, and postponed, plans of direct political action, and in the meantime (one recalls the genesis of the Labour party) contented themselves with systematic lobbying. These Farmers' and Settlers' Associations were based on the most exclusive class sectionalism; in Victoria they would not even admit country store-keepers to their fellowship. In Western Australia, where the Farmers' and Settlers' Association organised itself as a party as early as 1914, its sectionalism asserted itself in disciplines more stringent than those of the Labour party. Each Parliamentary delegate was "bound absolutely in principle and in detail to the platform adopted from time to

time at the annual conference"; and "in the event of any doubt arising as to the interpretation of the party platform," the whole Parliamentary contingent might be dragged before the Association's executive. Two years of political experience proved that these rules were unworkable, and they were modified in 1916. But throughout Australia the Country party remains the disciplined instrument of an acute class-consciousness.

The class-consciousness of countrymen is, however, far more localised and particular and fragmented than is the class-consciousness of trade unionists. The interests of the working-classes of Australia have been standardised by decades of levelling up and levelling down and levelling across the entire continent. But the interests of dairy-farmers and wheat-growers are distinct, and between maize-growers who seek protection and pastoralists who use maize for dry feeding there is an open clash of interest. The Country party, no less than the Nationalist party, is a coalition of diverse interests. In New South Wales, where the Labour reinforcements of 1917-18 powerfully impressed their character on the Nationalist party and made it unacceptable to many conservatives, the Country party has the support of the pastoralists. In addition, it is strong in the northern rivers district of the State, which has a special grievance against Sydney, and which returns to the Commonwealth Parliament Dr. Page, the apostle (though no longer a very fervent apostle) of the New State movement and the leader of the party in Parliament. In South Australia, on the other hand, the Country party is weak; for there the expelled Labour leaders counted for very little, and the Liberal party there has always been dominated by country and commercial interests. But in Western Australia, where the old Liberals were very weak and the National Labour men

very strong, the Country party is the political instrument of a powerful organisation which expresses the opinion of substantial pastoralists and farmers, and in addition manages the only successful co-operative wheat pool in Australia. In contrast with this sturdy growth, the Victorian party has become the Heaven-sent instrument of cockey-farmers, and marginal wheat-growers, and fruit-growers on irrigated lands, who seek an untidy agrarian socialism for themselves. Here there has been an open split between farming interests, and a fourth party has appeared—the Country Progressives. The disintegration of Parliament into groups has produced a succession of weak Governments quite incapable of defending Victoria's extensive Government businesses from blackmail and pillage by predatory Naboths. In Queensland, on the other hand, the strength of Labour in the end imposed unity on the opponents of Labour, and a weak Country party became content to act as a detached wing of the Nationalists. Queensland, to all intents and purposes, is now ruled by the two-party system.

The Country parties of the various States select candidates for the Commonwealth Parliament and send delegates to a Commonwealth conference; but, despite their imitation of Labour disciplines, they cannot, like Labour, become a "movement." They do not represent a single interest within the nation, but a mass of special interests. For this reason the Country party in the Commonwealth Legislature has not initiated new policies nor attacked old ones, but has adapted itself to the "settled policy of the country" and extended it for the benefit of rural interests. The elections of December, 1922, returned to Parliament 38 Nationalists, 23 members of the Labour party, and 14 members of the Country party. The Country party,

which was in a position to dictate terms, refused to work with the Nationalists unless they took to themselves a new leader. After six weeks of negotiation, Mr. Hughes resigned from the Government and advised the Governor-General to send for the Treasurer, Mr. S. M. Bruce. Within a week was formed the Bruce-Page ministry, which was thereafter approved by the country in two successive elections (1925 and 1928). The "pact" between the two parties united them in Parliament, but respected their separate identity as autonomous organisations, and gave to the Country party a position in the Cabinet altogether disproportionate to its numbers, "so that"—as Dr. Page explained to his followers—"if the policy they advocated could not be secured they would be able to pull out, just like an army corps, with their lines of communication and all their forces intact, to put their case before the public again as an independent political organisation." "The policy they advocated" was (in brief) governmental economy, the formation of New States, easing of the tariff in favour of the primary producer, and war against socialism "of the fig-leaf disguised variety." This policy looked like a great rebellion against the tendencies of twenty years. But the many-footed Country party soon found that it could not kick against the pricks. It had proclaimed a revolt; it pursued compensations. Instead of trying to demolish the structure raised by Deakin and Fisher and Hughes (that seemed a hopeless task) it had the structure enlarged to make room for the needy farmers who hitherto had been left to work in the heat and dust. The policy which it pursued, as distinct from the policy which it had announced, is revealed in the plea "that the dairyman is entitled to a fair Australian price, based on Australian living standards, for that part of his output which is con-

sumed by Australians, and that he should not be too rigidly governed by conditions ruling at the other end of the world" (see Chapter V.). This meant, logically, New-protection for everybody. Perhaps some future historian will discover the leaders of the Country party to have been men of Macchiavellian cunning. It is so much easier to destroy a political edifice by piling on to it a top-heavy superstructure than by dislodging single bricks.

In the early years of the Bruce-Page Government the theme of "fair and reasonable," familiar since Deakin's day, rose to a *crescendo*. In 1925 its harmony was first pierced by sharp protesting notes from the Tariff Board. The orchestra took no notice, and the conductor followed the orchestra. But in 1927-28 Mr. Bruce began to signal a *diminuendo*, and tried to prepare the Australian audience for a change of theme. For the first time for many years the old radicalism and optimism began to waver. There was talk of counting costs and a search for economic disciplines. The old conservatism, which had been submerged in 1909 and 1917, and which had been disappointed in 1922, began once again to emerge, with a demand that the country should grapple with economic realities. At last, in 1929, the Nationalist and Country parties, whose factions had grown so used to political adjustment, were asked to accept leadership—and defeat.



## CHAPTER XII

### FOREIGN POLICY

IN Australia we are as a rule hardly conscious that we have a foreign policy. And yet the social policies in which we are so intensely interested have effects which do not stop at our own frontiers. We are concerned most of all with our high standard of living, but we know well enough that this depends on our policy of immigration exclusion. Such a policy must be double-sided: it affects both the country which is in a position to receive migrants and the countries which are in a position to export them. It is true that the world, at the present time, appears to admit that these policies of exclusion are within the domestic jurisdiction of the excluding countries. This is because the effective force behind the countries of immigration is stronger than the effective force behind the countries of emigration. If the balance of power were to be reversed, the right of exclusion (against which there have already been many murmurings) would, sooner or later, be swept away. In Australia we have exercised this right primarily (in fact if not in form) against Asiatic countries. In recent years we have extended its operation by instituting "quotas," which limit the immigration from Southern Europe. It is a very good illustration of our national status that in this business we have negotiated directly with a first-class Power such as Italy. Moreover, as we have assumed direct responsibility for our own policy, so have our diplomatic manners and intelligence improved. Yet perhaps we do not sufficiently understand that im-

migration restriction is, in fact, a frontier policy. It is a policy of security, like the historic Rhine policy of France. And, like every other policy of security, it possesses, at least potentially, an element of provocation.

We have also pursued a geographical policy of security. At the Peace Conference of 1919 Mr. W. M. Hughes upheld "Australia's Rights" in two most important particulars. He fiercely resisted Japan's attempt to secure from the assembled Governments a recognition of "racial equality." And he demanded for Australia that, "as she had fought for the safety of the world, the world should at least see to it that those islands which lay like ramparts along our coast should not be in the hands of an actual or potential enemy." He wanted Australia to annex what she had conquered, and he did not want Japan to annex anything at all. In the end he had to be content to see Japanese oceanic expansion stopped at the Equator, and to receive the islands conquered from Germany as a *C* mandate, which, he believed, gave to Australia "almost all the rights of ownership." Mr. Churchill has described the astonishment which came upon the assembled statesmen when they realised that Australia's innocent young democracy was no less bellicose than were the unforgiving nations of Europe. "'And do you mean, Mr. Hughes,' said the President, 'that in certain circumstances Australia would place herself in opposition to the opinion of the whole civilised world?'" Mr. Hughes, who was very deaf, had an instrument like a machine-gun emplaced upon the table by which he heard all he wanted; and to this he replied dryly: 'That's about it, Mr. President.' This discussion had been very gratifying to M. Clemenceau, and for the first time he had

heard the feelings of his heart expressed with unbridled candour. He beamed upon Mr. Hughes. . . .”

The policy which Mr. Hughes pursued at Paris was nothing new. Throughout the second half of the nineteenth century the Australian colonies had unceasingly plagued the British Government with demands that it should annex islands right and left in the Southern Pacific. The prevailing conditions of lawlessness (intensified when Queensland entered the blackbirding business) did indeed demand that some strong Power should assume responsibility. Mr. K. L. Martin's study of *Missionaries and Annexation in the Pacific* (Oxford, 1924) proves that religious benevolence, seeking to atone for the inhumanities committed by disorderly traders, has made a most powerful and persistent contribution to Australia's expansionist enthusiasm. The missionaries follow the traders, and the flag follows the missionaries. This is quite a normal feature of modern imperialisms. But the imperialism of these Australian colonies was not merely a blend of benevolence and calculation. It sprang from an intense racial self-consciousness combined with a continental insularity. The Australians were then pre-occupied (as indeed they still are) with what they considered to be their domestic concerns. They had no precise knowledge of how their policies affected other peoples. Their attitude to the outside world was one of indifference, shaken by occasional spasms of alarm. All they wanted was security, and this to them meant isolation. Sir Thomas McIlwraith declared early in the eighties that the Australians must take New Guinea “for the purpose of keeping bad neighbours from coming near them.” But, to the colonists, any neighbour seemed a bad neighbour. Dr. Lang had denounced the presence of the French even in far-away Tahiti, and to this day

the Australians look upon the French in New Caledonia and the New Hebrides as bad neighbours. The *Condominium* in the New Hebrides disguises as a partnership the friction of British and French, and France makes herself unpopular by admitting Asiatic labourers and transported convicts. These, it is true, are particular grievances. After the Franco-Prussian War the Australians no longer feared that the presence of France in the Pacific was a menace to their security. It was then Germany's turn to become "bad neighbour." Froude happened to visit Australia about the time of Bismarck's annexation of northern New Guinea and the adjacent islands. "If Australia had been a single State," he wrote, "with a fleet of its own and with Melbourne statesmen at its head, it is not at all impossible, so angry were they, that they would have sent their ships round to warn the Germans off." This was a very moderate statement of the facts. The Australians had already proclaimed, in their own hearts, a Monroe Doctrine for the South Pacific. In 1872 the Premier of New South Wales invited the British Government to annex New Britain, the Solomons, the New Hebrides, the Marshall, Gilbert, and Ellice islands. "It appears to us," he said, "that a more extended dominion in these waters on the part of Great Britain would be not only consistent with the maritime supremacy of England, but would conduce much to the tranquillity and peace of these Australian colonies." Similarly, Sir Thomas McIlwraith in 1883 condemned the acquisition of territory south of the Equator by any foreign Power as "highly detrimental to the safety and well-being of the British possessions and injurious to the interests of the Empire." It was in the following year that Germany seized her share of New Guinea. To the Australians

this territory became almost an Alsace. They recovered it in 1914, and have made a clean sweep of German interests and German planters. But the same war which gave them their chance of revenge threatened to establish south of the Equator yet another neighbour—not a very near neighbour, it is true—Japan. It was the prospect of this unwelcome propinquity which, to the delight of M. Clemenceau, so excited Mr. Hughes at the Paris Conference. When he returned to Australia he was ready to proclaim Australia's Monroe Doctrine against the world. "While the Monroe Doctrine exempts the two Americas from the jurisdiction of the League of Nations," he declared, "we would not allow anything relating to our sphere in the Pacific to be regarded as a proper subject for submission to the tribunal."

These, then, are our policies of security. "A continent for a nation and a nation for a continent." Since federation we have asserted that claim with increasing emphasis. We intend to keep Australia "ninety-eight per cent. British." We will not permit any strong Power to establish itself in our vicinity. We ourselves must hold the islands which cover our continent. But we ourselves are a small nation, a weak people. Our security becomes a liability, not only upon ourselves, but upon the whole British Empire. In so far as we realise this liability and shoulder the responsibilities which it imposes, we are a nation. In so far as we deny the liability and shirk the responsibilities, we remain a colony. Independence consists less in the assertion of rights than in the assumption of responsibilities. National status means that we count the cost of our actions and meet it. Colonial status means that we accumulate debts and expect somebody else (probably our fond parent) to pay them.

The transition from colonial status to national status is very well illustrated by the history of our long connection with New Guinea and by the history of our defence policy. The first demand for the annexation of New Guinea came from Australia in 1867. The colonies assumed that Great Britain would pay the cost. In 1874 the rumours of German designs upon New Guinea first began to circulate. Lord Carnarvon thereupon consulted with the colonies, who advised Great Britain to annex the country—at her own expense. In 1883 the rumours circulated once again, this time more persistently. The Australians bombarded Downing Street with letters and telegrams, urging it to act quickly. Downing Street imagined that it still had to deal with the same irresponsible colonials. It did nothing. Sir Thomas McIlwraith, Premier of Queensland, thereupon annexed New Guinea upon his own responsibility. Downing Street repudiated his action. McIlwraith then invited the Governments of the other Australian colonies to consider “the higher forms of government required to give effect to this policy of annexation.” By this road the six colonies moved towards the Australian Commonwealth. Moreover, an intercolonial convention met to consider the emergency. It demanded that no foreign Power should be permitted to annex territory south of the Equator; it called upon Great Britain to annex New Guinea; above all, it pledged the Australians to pay “such share of the cost incurred in giving effect to the resolutions as Her Majesty’s Government, having regard to the relative importance of Imperial and Australasian interests, may deem fair and reasonable.” This is the first occasion on which a representative body of responsible Australian statesmen pledged their countrymen to undertake a national obligation. There is in this docu-

ment no protest about rights; it did not occur to the Premiers that Australia's share of the burden and Great Britain's share might be apportioned (as they would be to-day) by the free negotiations of equals. The omission is irrelevant. The enjoyment of rights is not a cause but an effect of freedom. In 1919 the world recognised Australia's rights because she had, during the war, accepted her obligations. And so it was in New Guinea. In 1884 Bismarck outwitted the British Government, and Great Britain secured only the southern half of New Guinea, the territory named Papua. Great Britain appointed the administrator of this protectorate; but all the Australian colonies except one contributed to the cost of government, and Queensland had a considerable share in its responsibilities. The administrator, Sir William Macgregor, wrote, after he had retired: "In my humble opinion, the efforts made by the contributing colonies for the Papuan are conspicuous in the history of British colonisation." But this does not end the story. In 1906 the Commonwealth of Australia accepted full responsibility for Papua. Since that date an Australian Lieutenant-Governor, Sir Hubert Murray, has more than upheld the fine tradition begun by Sir William Macgregor. Australia has won great honour in Papua. In 1919 she was able to cite her record there as a witness that she was fit to hold additional territory in New Guinea as "a sacred trust for civilisation." In the Mandated Territory, however, her administration has not yet reached the standard set by Sir Hubert Murray and his assistants in Papua. The Commonwealth, it must be confessed, has been rather stingy, and its administration has continued too long in the improvised pidgin-English style which appeared in its first proclamation:

"Me been talk with you now, now you give three

cheers belongina new feller master. No more um Kaiser. God save um King." Perhaps we made a mistake in refusing to unite the administrations of the Mandated Territory and Papua. For what we have lacked is experience. We have hitherto found it difficult to discover sufficient men who have had the training demanded by this special kind of work. Our record, nevertheless, is moderately good. We have at least had no difficulty in satisfying the Permanent Mandates Commission of the League of Nations.

In defence policy it is possible to trace the same transition from colonial irresponsibility to national independence, although in recent years there may have been some tendency to relapse into colonialism. "No community which is not charged with the ordinary business of its own defence," declared Gladstone in 1851, "is really or can be in the full sense of the word a free community. The privilege of freedom and the burden of freedom are absolutely associated together, and to bear the burden is as necessary as to enjoy the privilege, in order to form that character which is the first security of freedom itself." The best men in Australia have always accepted this true doctrine of self-reliance. George Higinbotham formally asserted it, in 1869, as an essential part of his programme of radical nationalism. Higinbotham fought colonialism wherever he saw it—whether in the Colonial Office or in the Victorian Assembly—and prepared the way for the nationalism of Deakin and the pre-war Labour party. It was Australian radicalism which accepted the "burden of freedom" in the name of the Australian nation. Throughout the earlier decades which followed the rise of the Australian colonies to self-government, Downing Street favoured a division of responsibility which would leave to the colonies control of local garrisons and



coastal defences, and leave to Great Britain the effective defence of the whole Empire. But the colonies made themselves into a Commonwealth, and the Commonwealth, having made a challenging policy, demanded the right to defend that policy. This right the British Government was reluctant to concede. It was becoming increasingly evident that none of the special interests within the Empire could be separated from the world-wide issues which must be decided in the North Sea. In the earlier years of the twentieth century, British strategists insisted on the need for centralising Imperial defence. But the Australians had learnt too well the doctrine of immediate responsibility. At the Colonial Conference of 1902 the Australian Prime Minister, Sir Edmund Barton, agreed that the Commonwealth should pay £200,000 a year towards the maintenance of a British squadron in Australian waters, and that it should in addition raise the crews for four British vessels. Australian patriots denounced this arrangement as an humiliation. "Its only logical defence," declared the *Bulletin*, "lies in the theory that Australia is a poor, forsaken country, without administrative brains, courage, enterprise, or intelligence, not fit to have any dignified part in its own defence, worthy only to drudge for the money . . . and to provide the lollolly boys, the slushes, and the deck-swabbers." In 1907 Deakin withstood the Imperial strategists at the Imperial Conference, and returned to Australia with a programme of "ships altogether Australian in cost and in political control . . . both in peace and war." Fisher's Labour Governments carried out that programme, for it was Labour's programme also. This sturdy Labour party counted the cost of its policies. It compelled the young men of Australia to enrol for the defence of Australia's frontiers—those ideal frontiers of racial self-consciousness

and democratic resolve which had been built by legislation of Australia's Parliaments. It was ready to defend those frontiers in the Pacific. In 1914 it pledged itself to defend them, "to the last man and the last shilling," against enemies in Europe. During the war Australia's volunteer armies suffered casualties heavier than those which were suffered by the forces of any other Dominion or of the United States of America. Australia's destiny depended on the survival of the British Empire, but she made no grudging calculation of her special interests: as a free Commonwealth she was ready to spend herself in a common cause. Even from the point of view of strict naval strategy she vindicated her policy against the old misgivings of a cautious Admiralty. That same policy, with its insistence upon national responsibility, enabled her to put her armies quickly and effectively into the field. The system of compulsory military training had given her what the early champions of national defence had demanded—"a framework into which the fighting material of the nation can be fitted when the emergency arises." And this was the work of a Labour Government.

In 1929 another Labour Government suspended the system of compulsory military training. The reasons for its action were complex, and they reflect a phase in Australian opinion about which it would be rash to dogmatise. Underlying the elections of 1929 were the economic crisis and a shrinkage of about 10 per cent. in the national income. Labour had in effect promised that this shrinkage would not adversely affect the ordinary man's "standard of living" or chance of obtaining employment. The first problem which the new Government had to face was the problem of finance. Its first action was to economise at the expense of the defence department. In 1927-28 the Australians had spent on defence (exclusive of naval con-

struction and other items paid for out of loan) 17s. 4d. per head of the population. There was a chance to save money here.

The decision to sweep away compulsory military training was, however, more than a mere financial expedient. In the first place, there were in Australia widespread misgivings as to the technical efficiency of the system. Many Australians said: "The system is a farce; we are not getting our money's worth." In the second place, there was in the Labour movement an almost universal objection to the principle of the system. In 1916 the Labour party ejected the politicians who advocated an extension of the principle of compulsion to meet a war-time emergency; in 1916 and 1917 Australian democracy rejected the Government's conscription proposals, and thereby approved the arguments of the Labour party. Thus the A.I.F. remained, to the very end of the war, an army of volunteers. Ever since the conscription referenda Labour has been determined to take the first opportunity of ensuring that both home defence and foreign defence should be based on the volunteer principle. And, in the third place, Labour looks forward to the triumph of internationalist idealism. Towards the end of the war the party became strongly pacifist. It came to recognise the war as but another episode in "the old game, for ever discredited, of the balance of power." And what concern had Australia with that game? What concern had she (except in the Pacific and in the question of "racial equality") with the fears and ambitions which jostled each other in the world's peace conferences? Her concern, surely, was with the new civilisation which the League of Nations promised. Labour supports those idealists who are ready to risk a partial and dubious national security in order to win the higher security of

world peace. Labour believes that a demonstration of Australia's peaceful intentions will count for something. Surely it is futile for every nation to hang back and wait for its neighbours to set an example. Some nation must have the courage to gamble.

No nation, however, should gamble with other people's money. It is necessary that we should be clear about our burdens, our liabilities. Bismarck would have called Australia a "sated" country. We need no new conquests. All that we want is the monopoly of a continent. We have safeguarded our monopoly by our immigration legislation and by seizing a strategical frontier in the Pacific. These are the pledges of our security, and, so far as they are concerned, there is complete unanimity and unbroken continuity in our policy. Labour, at world migration conferences, defends the same great national interests which Mr. Hughes defended at Paris, and defends them with equal fervour. For these are not party questions. As a nation we have something to defend, for we belong to the fortunate peoples of the earth. It is difficult to believe that the time will ever come when we shall have nothing to defend. If the League of Nations succeeds it will hardly abolish power (for that is not its aim), but it will abolish war, which is the crudest and most brutal instrument of power. If it achieves this we shall still have to defend ourselves, by co-operation with our friends, by economic power, by diplomatic skill, and by maintaining the mental and moral qualities which compensate for our inferiority of numbers. A reduction of our armed forces may be either a step forward or a step backwards; everything depends upon the condition of the world and upon what we put in the place of our sunken ships and dismissed soldiers. If we were to put nothing in their place we should be dropping our burdens and expecting

some patron or protector to pick them up. We should, in effect, be saying: "Let the British Navy defend us until such time as Europe and Asia and America organise the world for peace. We, however, will not contribute to that organisation except by our shining example, for the world is still wicked, and it will be safer for us to hold aloof from it. Meanwhile . . . let the British Navy defend us."

There is, however, no real danger of our relapsing into this colonialism. The history of our advance to nationhood has been unbroken. Since the war our advance has been so rapid that we have not yet understood all that it implies. But there is no prospect of our turning back. We have already established direct and equal contact with the world's nations. The basic facts of our national life make it impossible for us to sink into a virtuous and white isolation.

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Australia's future is, to a considerable degree, bound up with the future of the Pacific; but a good deal of nonsense is talked about that rather over-rated ocean. Some of the countries bordering the Pacific have special problems which may lend themselves to a "regional" solution, but the Pacific is not a closed system separable from the rest of the world. Nor is it, as is sometimes suggested, "the world's centre of gravity." Newtonianism in politics is surely out of date! The new situation which statesmen had to understand after the war has been accurately defined by Professor Toynbee: "that the world as a whole had become what only Europe had been before—that is, a one and indivisible field of international action." The Pacific was until recent times a backwater; it is one no longer. A glance at the map is sufficient to

show the absurdity of thinking of it as a *mare clausum*. Of the great Powers which belong to it, only one, Japan, belongs to it exclusively. China is not yet a great Power. Russia belongs to Europe and to Asia ; she has blundered everywhere looking for free access to the sea, and may expect in the east opposition scarcely less bitter than that which she has had to face in Europe. The United States of America belongs to two oceans. The British Empire belongs to all the oceans. France is a great Power whose strength is concentrated in and near Europe. All this means diversity and dispersion. These characteristics are at once apparent in the trading activities of the Pacific countries. Most of them are more concerned with extra-Pacific trade than they are with intra-Pacific trade. Japan and China carry on respectively 65 per cent. and 58 per cent. of their trade with Pacific neighbours ; but only 30 per cent. of the trade of the United States, 30 per cent. of Australia's, and 29 per cent. of New Zealand's, is in the Pacific.

It is true that commercial relations between the Pacific countries are rapidly becoming closer. This is particularly true of Australia. British exporters have been able to increase the volume of their sales in Australia, but they have been unable to maintain old margins of predominance over rival countries. In 1913-14 Australia received 52·4 per cent. of her imports from the United Kingdom and 13·9 per cent. of them from the United States ; in 1927-28 she received 42·65 per cent. from the United Kingdom and 23·66 per cent. from the United States. The following figures will give a fairly just picture of Australia's commercial relationships in recent years.

TRADE OF AUSTRALIA WITH CERTAIN COUNTRIES  
1927-28

		<i>Imports.</i>	<i>Exports.</i>
		<i>Per Cent.</i>	<i>Per Cent.</i>
United Kingdom	...	42·65	37·90
British possessions	...	12·98	10·63
Total British	...	55·707	48·53
China	...	0·46	0·29
Netherlands East Indies	...	3·86	1·36
Japan	...	2·89	8·78
France	...	2·62	10·59
Germany	...	3·12	8·40
Italy	...	0·92	3·59
United States	...	23·66	6·25
Total foreign countries	...	44·293	51·47

These percentages show that Australia's Pacific trade, although increasing, is very far from being her chief concern. She has practically no trade eastward to South America. Within the Pacific generally, and especially in her dealings with the United States of America, she has a very large excess of imports over exports. Japan is a good customer—about as good as Germany, but not so good as France. China buys little from Australia and sells little to her. There are other Pacific countries which might have come into the picture, but the aim of this table has been to suggest, rather than to catalogue, Australia's trade relations with the outside world. Economically, Australia still remains joined to Europe, where her best markets lie. This economic interest implies some sort of a political interest in the affairs of Europe, of the Mediterranean, and of Egypt.

There is among foreigners an extraordinary misconception of the realities of Australia's position in the world. One example must suffice. "As the bonds of Empire weaken," writes Mr. Nicholas Roosevelt in his book, *The Restless Pacific*, "the ties that bind the Dominions to the United States will strengthen. We four are of the new world, blessed with the material foundations of cultural greatness and fortunate in having vigorous, healthy populations." But why should Australia loosen old and proved ties in order to undertake the difficult and uncertain task of joining herself by new ties to a new system? No doubt Mr. Roosevelt does not contemplate any constitutional contract nor even an "entangling alliance"; he is thinking vaguely of reciprocal benevolence. But for a completely independent and isolated Australia this would not be enough. And could the United States give to Australia the security which she now enjoys in virtue of her honourable co-operation with her fellow-members of the British Commonwealth? Could the American Navy protect Australia's trade routes in the Indian Ocean, the Red Sea, and the Mediterranean? It is true that both the United States and Australia are interested in restricting Asiatic immigration, but it is strategically impossible for the United States to prevent an Asiatic descent upon Australian coasts. It is even possible to imagine circumstances in which a descent upon Australia would be tolerated by the United States, as a guarantee of their own immunity. All these imaginings are fantastic and perhaps uncalled-for, but so is the initial speculation. It is absurd to imagine that Australia, because she buys American motor-cars and submits to the deluge of Hollywood culture, is drifting vaguely towards some new political combination. It is, indeed, very easy to exaggerate the sympathy which "the vigorous, healthy populations" of



Australia and the United States feel for each other. Superficial observers draw political deductions from the similarity between California and Australia's Pacific Slope; but this very similarity makes the two countries competitors. The fact that American and Australian farmers have to grapple with the same difficulties does not make them especially affectionate one to another; if the American wheat-growers were to extract from Congress the subsidies on export which they so greatly desire they would ruin thousands of Australian farmers, and perhaps drive the Commonwealth to a retaliation which it cannot afford. Again, both Australia and the United States are high-protection countries; but this resemblance of their economic policies is not a bond between them. Recently there have been bitter protests in Australia, as in Canada, against the United States tariff. Australian national sentiment (not always reasonably) resents the fact that America sells so much to Australia and buys so little in return. It is true that Australian manufacturers sometimes show rather a wistful interest in American business methods. But Australian working-men show an emphatic dislike of those methods. Australian democracy feels a real and instinctive sympathy with English democracy, which, with its trade unions and Labour party, seems similar to the Australian model; but American democracy seems to follow an entirely different model, so that Australian trade unionists are apt to suspect that it is not democracy at all. Added to this is a strong feeling of racial individuality. America has too many foreigners and hybrids! The Australians are passionately convinced of their rightness in keeping themselves "ninety-eight per cent. British," and look with suspicion and dislike upon the experiment of the "melting-pot."

These observations (as well as others which might be made) will seem to Australians almost unnecessarily obvious. Australia is prepared to do what she can to strengthen the friendship of English-speaking peoples as a necessity for the world's peace. But her habits, her interests, her sympathies, and her honour, all combine to keep her within the British Commonwealth of Nations. It is necessary to consider, as briefly as possible, what her membership of the British Commonwealth means.

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It means, first of all, that Australia is a free country, with unfettered rights of self-government, a national status recognised by foreign nations, and a distinct personality in International Law.

The last phrase raises intricate problems of legal definition. But the salient facts of Australia's position among the nations of the world may be easily gathered from a short historical inquiry. Australia, like the other self-governing Dominions, has completed her progress along the road which Lord Durham's report on Canada mapped out less than a hundred years ago. Lord Durham's report indicated the direction, but not the goal, of colonial self-government; for not even the most radical of Englishmen would have dared, in 1839, to imagine a time when the King's Dominions beyond the seas should be "subject to no compulsion whatever." Lord Durham explicitly reserved for Imperial control the Constitutions and foreign relations of the colonies, the trade beyond their borders, and even the waste lands within their borders. Yet within twenty years the Australian colonies had gained the right to control their own waste lands and to amend their Constitutions. But could Great Britain surrender the other two powers? If colonial self-govern-

ment resembled in every respect British self-government, surely the unity of the Empire would be at an end? "There are some cases," declared Lord John Russell, "in which the force of these objections is so manifest that those who at first made no distinction between the Constitution of the United Kingdom and that of the colonies admit their strength. I allude to the questions of foreign war and international relations, whether in trade or diplomacy."

Until 1846 the British Empire had been a single economic unit in its commercial relations, with a Protectionist policy made in Great Britain. In 1846 Great Britain became a Free Trade country. But she still assumed that the Empire would remain a commercial unity, with a common Free Trade policy. The self-governing colonies thought otherwise. In 1859 Canada asserted her right to set up a Protectionist tariff, even against Great Britain. In 1873 the Australian colonies asserted their right to discriminate in favour of each other, even to the disadvantage of other parts of the Empire. It was not long before the new order of things began to affect the foreign relations of the Empire. In the seventies the Australian colonies won recognition of their right to adhere separately to trade treaties made by Great Britain, or, if it pleased them, not to adhere at all. Later on they exercised a right of withdrawing from trade treaties which Great Britain had negotiated in the past. Finally they began, in association with British representatives, to negotiate their own treaties. The Commonwealth to-day is party to many treaties which deal with commerce, postal affairs, scientific and humanitarian concerns, and all sorts of technical matters. At last, in 1907, Canada negotiated a commercial treaty with France, without any intervention at all of British officials. That event marked

the end of the process. Before the war the self-governing Dominions could bargain with foreign countries, in commercial matters, on terms of complete equality and independence.

Within this century there has been a somewhat similar development with regard to diplomacy and the political relations of the Dominions with the outside world. Thirty years ago Australia was content to leave her foreign relations entirely in the hands of Great Britain. Australia, declared Sir Edmund Barton, was "For the Empire, right or wrong." It was in this spirit that Australia sent contingents to fight in the South African War. But at the conclusion of that war Australian statesmen were shocked by the introduction of Asiatic labour into South Africa's mines, and claimed their right, as "an integral portion of the British community," to speak on British policy. "My main contention," declared the leader of the Labour party, "is that we have a partnership interest in South Africa." "We were told at the outbreak of hostilities," cried Deakin, ". . . that it was a war for the miners of the Transvaal. If the authorities had gone on to say that it was a war for Chinese miners, what a different aspect it would have worn ! . . . We should have said : 'Keep your mines ; your cheapness is too dearly purchased. It is not to be bought with blood.' No Empire can be made strong by such means." Here was, in effect, a demand that Imperial policy should be acceptable to Australian sentiment. It was an intimation that Australia would not for ever follow blindly. In 1911 the British Government expounded to the Dominion Prime Ministers the Empire's diplomatic and strategic position ; but Mr. Asquith positively asserted that Great Britain could not share the control of high policy. Then came the war. It brought home to the statesmen of the

Dominions a realisation of the fact that, in the supreme issues of policy, their countries were dependencies. For the future they demanded for their peoples complete self-government and control of their own destiny. They affixed their signatures to the peace treaty. The Dominions became original members of the League of Nations. Canada to-day enjoys a temporary seat on the Council of the League, not because she is a member of the British Commonwealth, but because she has been chosen by the smaller nations of the world as their representative. Canada has sent ambassadors to represent her in Washington, Tokio, and Paris. Australia, if she chose to, could do the same. In foreign affairs, as in home affairs, she has in fact complete control of her own destiny. She is not bound by British treaties to which she does not choose to adhere. She is bound only by the signatures of her own accredited agents. Conversely, she may, if she chooses, negotiate political treaties for herself. Treaty-making is a very complicated procedure, but none of the technicalities of this procedure can obscure the essential fact that Australia is in every way free to do her own business in the world.

All this involves a new principle within the British Empire. In the old days there existed within the Empire different degrees of dependence upon Great Britain. At the present time some members of the Empire have the status of dependencies and others the status of equals. It is possible to suggest these distinctions in an inclusive phrase. Australia belongs to "the British Commonwealth within the British Empire."

But is the formation of this Commonwealth within the Empire consistent with the survival of the Empire as a real community, exercising effective power in a disordered world? One thing the British Empire obviously

is not—an economic unit. It has been one of the most persistent ambitions of the British Dominions to organise themselves as separate national economic units. Enthusiastic Englishmen have sometimes attempted to put back the clock to 1846. Thirty years ago Chamberlain declared: "Our first object is free trade within the Empire." But the first object soon gave place to a second object, the best to a second-best. The vision of an Imperial Zollverein soon faded into the nearer but foggier vision of Imperial Preference. At the Imperial Conference of 1907 it was an Australian, Alfred Deakin, who struggled most eagerly to capture that vision. For to Australia Chamberlain's second-best seemed the highest good. The ideal of an Imperial Zollverein was unacceptable to Australia, because it meant that she must remove her duties against British goods. The ideal of Imperial Preference was acceptable to her, because it offered her own goods a privileged place in the British market, and at the same time permitted her, even encouraged her, to raise her duties against British goods. For so far as she was concerned Australia intended to achieve preference, not by lowering her tariff, but by raising it. Deakin introduced a measure of preference in 1908. Hitherto (the description is exceedingly generalised) British manufacturers had been compelled to reckon with a  $12\frac{1}{2}$  per cent. tariff schedule. For the future they would have to reckon with a 20 per cent. tariff schedule. Foreigners, however, would have to reckon with a 25 per cent. schedule. The range of the preference granted in 1908 covered about 60 per cent. of Australia's imports from Great Britain. Since 1908 there have been various revisions and increases of the preferential duties; within the same period the Australian tariff has been seven times raised against all external

competitors, of whom the British are chief. The aim of Australia is to encourage the British manufacturer at the expense of the foreign manufacturer, but at the same time to encourage the Australian manufacturer at the expense both of the foreign and the British manufacturer. Of these two aims, the latter is the really essential one. The preferences which the Australians grant are "a concession to sentiment which is not allowed to interfere with business." The concession to sentiment is something very real, and attempts are sometimes made to measure its cash value. But it is so easy to fall from sentiment into wrangling. Are the preferences which Great Britain grants on  $\frac{1}{2}$  per cent. of her imports a fair return for the preferences which Australia grants over the whole range of her imports? Are Australian preferences a fair return to Great Britain for the benefits which Australia receives from the research and advertising activities of the Empire Marketing Board, from the acceptance of Australian stocks as trustee securities, and from British expenditure on the defence of Australia's trade routes and general security? All these questions, in the present context, are irrelevant. Nor would it be relevant to forecast the dubious economic advantages to Australia of a substantial extension of reciprocal preference. This matter has been very interestingly treated in the published report of the expert committee on *The Australian Tariff*. The present argument is concerned only with the reality of the British Commonwealth as a community. Australia most emphatically does not intend it to be a single economic community. Historically, Australia's preferences have not aimed at an Imperial Zollverein, but in an entirely opposite direction. Australia would not join an economic union or even an economic federal union. But she would not be reluctant, even now, to think of herself as a

partner in a kind of economic confederation. She is a separate economic unit in close collaboration with Great Britain. This collaboration creates an intricate network joining private individuals, great industrial groups, and even public authorities. There are opportunities here for fruitful economic statesmanship.

The British Commonwealth remains a political community. It is a *communitas communitatum*. Lord John Russell was right in anticipating that the principle of responsible government, if unchecked by any other principle, would lead to the disruption of the Empire. But the principle of responsible government has been checked by the monarchical principle. While the members of the British Commonwealth have been becoming distinct persons in international law, their own constitutional law has preserved the essential bonds which unite them to each other. Australia has international relations with foreign countries, but her relations with Great Britain or New Zealand are not international relations: they are constitutional relations. The Crown, and the common nationality which results from our common allegiance to the Crown, are more than symbols or phrases: they are primary facts of our political life. It is easy to understand, without becoming enmeshed in legal subtleties, that the Crown stands for our common security and common liability. For when the King is at war all his subjects are at war. We could, of course, renounce our allegiance to the King and choose the harried life of a neutral Power; we could say to Great Britain and Canada and New Zealand: "We shall not help you to fight your battles, and we do not expect you to help us fight our battles." Or we might try to make the best of both worlds, and, if a war broke out, content ourselves with *passive* belligerency. But the King's enemies might



decide to be *actively* belligerent against us, and we should find that we had forfeited our self-respect, incurred the resentment of our sister Dominions, and involved ourselves in bitter internal strife (for the nation would have no single opinion on this matter) all to no purpose. Of course, if the war were a very small one and the immediate concern of a single member of the British Commonwealth, the other members (even Great Britain herself) might be content with passive belligerency. Nothing more might be expected of them. But if there is to be another world war there will in all probability be no non-combatants and no neutrals. In these circumstances the discussions about passive belligerency appear to be academic.

The time may perhaps come when speculations about another world war will also be academic. The vision of perpetual peace is very attractive to Australian democracy. And Australia, because she is a member of the British Commonwealth within the British Empire, may exercise an influence disproportionate to her present actual strength in helping to make this vision a reality. Australia has everything to lose by war. The British Empire has everything to lose by war. It has liabilities in every quarter of the globe. It is, as it were, a cross-section of humanity. It acts as interpreter between Europe and Asia, between Europe and America, between Asia and the South Seas. In Canada and South Africa it has achieved what the League of Nations is seeking to achieve in Europe—the reconciliation of races. At this critical and ambiguous stage of the world's history the failure of the British Commonwealth would mean the failure of the League. And the failure of the League might mean the failure of the British Commonwealth.

Every self-governing member of the British Common-

wealth has its own problems of foreign affairs, for which it is primarily responsible. But it would be wrong to imagine that the special problems of one member are of no interest to the others. To consider the problem of security: Great Britain is to-day less secure (in the military sense) than she has ever been, for man's mastery of the air has made her part of the European continent, destroying her secular insularity. This new weakness of Great Britain is very much our concern, because (to choose one reason out of many) we still very largely depend on Great Britain for our defence. Canada, on the other hand, owing to the increased power of the United States, is even more secure in the present than she has been in the past. For she enjoys a double guarantee—her membership of the Empire and her unguarded southern frontier. Only one event could threaten her security—hostility between the British Empire and the United States. It is the foundation of Canada's policy to avert this possibility. She plays the part of interpreter between the British Empire and the United States. And this, too, is very much our concern. There was a striking example of this fact in 1920-21, when Canadian influence was very largely instrumental in preventing the renewal (advocated by the Australian Government) of the Anglo-Japanese Alliance, and in preparing the way for something less exclusive—the Four Power Treaty signed at Washington.

The strategical position of Australia is less secure than that of any other member of the British Commonwealth except New Zealand. Australia's physical vulnerability, her close economic relationship with Great Britain, and her intense British race-consciousness, have made her less eager than some other Dominions to claim every fact and form of national status. Perhaps we do

not yet completely realise in Australia that we act as a nation and that the world accepts us as a nation. We are free to do our own business in the world. In peace (and this is the normal relation of States) we stand upon our own feet. In war, should it come, we must also stand upon our own feet. This does not mean that we stand alone. We are, politically, a Nation, but we belong to the British Commonwealth of Nations. Thus we have a double responsibility. We must count the cost of our policies to ourselves. We must also count their cost to others. And we expect the same consideration from our associates. We shall stand by them, but only if they play fair; they will stand by us, but only if we play fair. This is the moral basis of the "unwritten treaty of mutual assistance" which binds together the free members of the British Commonwealth. It is a new application of the old principle, "What touches all must be approved by all." Supposing that one Dominion rushed into danger without consulting its fellows, and then expected them to come to its rescue? It would be flouting the principle of freedom and responsibility upon which its own civilisation is built. It would be committing a crime equal to any in the history of the secret diplomacy of despots.

The effective unity of the British Commonwealth therefore demands consultation and co-operation between the free and equal communities which compose it. The principle of free co-operation is rapidly elaborating appropriate conventions and institutions. Australia is ready to do her share in the common work. Every Australian party and Government accepts Australia's membership of the British Commonwealth. The conditions of membership, which to foreigners seem so preposterous, are in reality very simple. An Australian Prime Minister,

Andrew Fisher, long ago illuminated the significance of our relationship when he described the free communities of the British Empire as "a family of nations." As nations we are independent. As a family we are members one of another. On this basis our unique political fellowship maintains itself as one of the major realities of the modern world.

PART IV  
CIVILISATION



## CHAPTER XIII

### SOME ASPECTS OF SOCIETY IN A "NEW" COUNTRY

NEARLY one hundred years have passed since Alexis de Tocqueville tried to explain to cultivated Europeans the characteristics of democracy in a "new" country. Lord Bryce once wrote an essay comparing Tocqueville's America with the America of latter days, and concluded that his brilliant generalisations were, generally speaking, out of date. But they are not out of date for Australia. Tocqueville's observations on American society are stimulating, even when they do not quite fit the Australian facts. Australians could attempt no more useful exercise than to read through *Democracy in America*, asking themselves: Is this true of Australia? To what extent is it irrelevant?

There are, of course, striking contrasts between Australia and America—even the America of one hundred years ago—which make the exercise almost a dangerous one. America had been colonised when English society was still aristocratic and rural; it had been the prize for which two Empires struggled; it had vindicated its independence in two wars. No less striking than these social and political contrasts are the emphatic geographical peculiarities of the two countries. Nevertheless, Tocqueville's America resembles our own Australia in this: that it was a vast half-occupied country still being overrun by vigorous invaders of British stock. What most impressed Tocqueville, who came from a country where life (despite the violence of political revolution)

still remained formalised within its old framework, was the incessant movement, the collapse of hereditary stability and standards, the fluidity of fortune and family in the New World. "Amongst democratic nations new families are constantly springing up, others are constantly falling away, and all that remain change their condition; the woof of time is every instant broken, and the track of generations effaced." In Europe—even in democratised Europe—the track of generations is never quite effaced; men will continue to revere ancestry, even if it is not their own. But in America (so Tocqueville thought) there existed "an instinctive distaste for the past." And in Australia defiance of "the truculent, narcotic, and despotic past" has always been one of the most popular themes of forward-looking democracy. "Australia is the whole world's legatee"—so say the poets; but the Australian carelessly accepts his inheritance and thinks no more of former generations.

"While with the Past old nations merge  
His foot is on the Future's verge."

Liberated from the congealed ice-forms of convention and class which are packed so tightly in a small northern island, the vigorous flow of Australian life cuts ever-changing channels for the irrigation of limitless virgin plains. Society in Australia is not yet fixed and formalised. Men do not find it difficult to change their house or town or class. There is no class except in the economic sense. In each State there are perhaps a dozen families who have possessed wealth for two generations or more; but they have no more authority than other rich men, and have not imposed upon the Australians standards of conduct and culture. The parallel still holds with Tocqueville's America. "There is no class, then,



in America in which the taste for intellectual pleasure is transmitted with hereditary fortune and leisure and by which the labours of the intellect are held in honour." These very phrases sound strange to Australian ears. Hereditary fortune and leisure! The Australians have not had time to think of that. What they have aimed at is the effective occupation of their continent at the quickest possible speed. They will not rest until they have staked their indisputable claim. Not that all Australians—or even very many of them—are adventurous pioneers. The waves of pioneering which rush and break into "better country farther out" are the overflow from bays of settlement in which there is a surface quiet. Here, for forty years or more, Australian democracy has been trying to freeze itself into the stillness of an isolated pond. Its efforts are vain. The flimsy breakwaters of provincial prohibitions are constantly breached by the ocean swell of the world's impatient energy, and life, even in Melbourne or Sydney, is everlastingly agitated by the ebb and flow of adventure on the margins of Australian settlement.

Australia has been too much glorified by simple patriots, who imagine that civilisation started with the voyages of Captain Cook, and too much vilified by splenetic tourists of the English middle classes, who fail to find in Tumburumba the mild amenities of Tunbridge Wells. In this petty bickering of rival provincialisms the historical necessities are ignored. One party pretends too much and the other demands too much. Nations do not bring forth abundantly the flowers of civilisation until their roots have struck deep. The Australians, like the Americans of a century ago, are still preoccupied with useful things. "The aspect of American society," said Tocqueville, "is animated, because men and things are

always changing ; but it is monotonous, because these changes are always alike." The changes to which he refers are changes of fortune, which are certainly not monotonous to those who experience them ; on the contrary, they are intensely exciting. To the philosopher, these innumerable individual fluctuations may appear to be a single series of uninteresting repetitions. But the mass of men has no leisure for philosophy, and, in newly occupied countries, it is the mass of men which fixes the accepted standard of values.

De Tocqueville perceived that the Americans were everywhere content with a "middling standard"—in manners, morals, knowledge, and the arts. Science was directed towards practical ends. Religion dared not challenge the prevailing passion for well-being. As for education, the observer who wished to form a just opinion of it must consider it from two points of view. "If he only singles out the learned, he will be astonished to find how rare they are ; but if he counts the ignorant, the American people will appear to be the most enlightened in the world." In literature, the annual production of the twenty-four States of the Union was inferior to that of some very second-rate European towns. In their intercourse with each other the citizens had neither the dignity which belongs to men whose address is suited to their station nor that unhappy blend of insolence and anxiety which may be observed in men who wish to maintain their proper station without knowing precisely what it is. The Americans were frank and unconstrained in their bearing towards each other because they were unconscious of any barriers between them. There were, of course, natural inequalities (as the Creator doubtless intended there should be), but the different capacities of men were submitted to the same methods of treat-

ment. Each man considered that his own judgment was equal to that of his neighbour ; therefore, he placed little faith in his neighbour. But he was ready to place unlimited faith in the multitude ; for "it would seem not probable, as they are all endowed with equal means of judging, but that the greater truth should go with the greater number." To this gloomy conclusion Tocqueville returns again and again—that democracy means the tyranny of the multitude. "Every man allows himself to be put in leading-strings, because he sees that it is not a person or a class of persons but the people at large that holds the chain."

This same "middling standard" is characteristic of democracy in Australia ; but in Australia there are two peculiar complications which did not exist in Tocqueville's America. In the first place, Australia has never known effective local government. In the States of America administrative power was dispersed between central and local authorities ; but in the States of Australia local government is a late creation and forms no effective barrier between the isolated individual and the central power. In America the habit of local independence created the habit of free association, and to this very day Americans group themselves in countless propagandist organisations, which work independently and immediately within society and upon it, and regard political party (it is M. Siegfried's phrase) as "an indispensable tool and nothing more." But in Australia the political parties have almost a monopoly in the manufacture of public opinion. Australia has known one great voluntary society, the *Australian Natives' Association*, which played a decisive part in the awakening of Australian nationality and the making of the Commonwealth. But when its work was done, it relapsed into insignificance.

To-day, apart from the Press and one or two women's organisations and the "temperance" societies (which denounce temperance and preach prohibition), there is practically no propaganda except that of the political parties. The only notable non-political body in Australia (excluding the churches) is the Returned Soldiers' League. As for the industrial and commercial associations which exist in Australia, they are the constant victims or beneficiaries of political manipulation. A great part of the spontaneous energy of the Australians is spent in the pursuit of pleasure. The activities of the Australian people in almost every other department of life lose their clear outline in the universal smudge of politics.

The second contrast between Australia and the old America consists in the attitude generally adopted towards inequalities of fortune. "In America," said Tocqueville, "those complaints against property in general, which are so frequent in Europe, are never heard, because in America there are no paupers; and as everyone has property of his own to defend, everyone recognises the principle upon which he holds it." There are no paupers in Australia, and nearly everybody has some property to defend; but the air is rent by the complaints of those who have less against those who have more. The explanation is to be sought in circumstances of time and place. Australia was settled in the age of the Rights of Man and of the Communist Manifesto. Most of the early settlers had been sweated and soured by industrialism. To-day, when sixty-three out of every hundred Australians live in towns, migration is, for the majority of Englishmen, nothing more than a changing of factories or shops. They are still soured, though no longer sweated, by industrialism. It must be recognised that

hatred, in greater or less degree, is a normal by-product of industry in its present stage of development. But why should it be inflicted upon Australia in greater degree? It must not be imagined that there are more strikes or lock-outs in Australia than there are in other countries; even since the war the English worker and the American trade unionist have gone on strike more frequently than has the Australian. But in Australia antagonism between employers and wage-earners is "in the atmosphere." Its presence is very puzzling to the inquiring visitor. He sees few signs of suffering, and no sign at all of insolent wealth. There exists no caste which cannot easily be entered by vigorous men pushing up from below. The rich do not make themselves a target for popular envy by anything distinctive in their appearance, manners, speech, tastes, or recreations. In a society which has little fixity of family and fortune, intelligence and good manners may be found at any level; and vulgarity is no less frequently observed in men whose incomes are large than in men whose incomes are moderate or small. But these are the very conditions which sharpen the irritation between employers and employed. There is frequently no visible reason why the former should command respect, nor why the latter should give it. In the absence of effective social barriers, men resent all the more the permanence of economic barriers. When all sorts and conditions of men pursue similar pleasures, the poorer will always be envious of the richer, for they envy things which they understand. Every man thinks that he is as good as another, and feels that he is hardly used because his pleasures are less. In Australia, somebody has said, every man thinks that he is *twice* as good as another.

All this personal discontent finds political expression.

Bryce described Australia correctly as "the country in which material interests have most dominated politics." How can this not be so, when approximately one breadwinner in every ten is in the employment either of the Federal Government or of a State Government, and when the policy pursued by Government enterprises directly touches the pockets of the vast majority of citizens? Moreover, when arbitration courts fix men's wages to the last penny, and when the principle and detail of arbitration is an everlasting subject of political and constitutional argument, wages and the most minute details of the conditions of labour attain the dignity of a Public Question. Every economic difficulty is generalised as a political issue, with the double result that it becomes more difficult to solve, and more exasperating when it remains unsolved. Exasperation—that is the dominant note in the public life of the Australians, who are, in their private life, exceptionally good-natured and friendly. The Australians are perpetually exasperated because they perpetually pursue a quarry which they can never run to earth. They try to dispose of facts by parliamentary adjustment. Australian democracy has been cheated and flattered by the ease with which it conquered political power. It imagined that it could just as easily win economic power; that it could just as easily democratise industry, that it could—an Australian poet has said it—"democratise the world." Men really did believe, a generation ago, that the old oligarchies had of their deliberate wickedness created all the evils which afflict society, and that Australia—"this virgin and unhandicapped land of social experiments, embryoning democracy, and the Coming Race, Australia!"—would quickly lead the world to a millennium. It was a generous hope, which did credit to the idealism of the Australians,

but not to their intelligence. They have long since ceased to believe in impossibilities, but out of sheer exasperation and an angry obstinacy continue to pursue them. Government, being constantly overstrained, is constantly discredited. Almost everything is absorbed in politics; but almost everybody believes those knowing fellows who say that politics is "a dirty business." This is precisely the danger of credulous idealism, that its disillusioned victims console themselves with an equally credulous cynicism. Australian idealism has put too many of its eggs into the political basket. When some of the eggs go bad their unpleasant odour penetrates into every corner of the national life and infects it with a faint disgust.

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As individuals, Australians are generally matter-of-fact people who distrust fine phrases and understand hard realities. But in politics they have been incurably romantic. Thus it happens that their private shrewdness is continually pricking the bubble of their public pretence. This tendency may be well illustrated by the history of the national capital. Canberra is interesting, both as a document of Australian life, and in itself; its story is worth telling at length.

Canberra has now become "crazy city."<sup>1</sup> Less than twenty years ago (when it was still paddocked hill and valley and there were no bills to pay) it was to be "a world's centre of civic beauty and health," the "City Beautiful," the "City of the Future."

". . . Here a City shall arise  
That shall be the Pride of Time."

Where else than in Canberra, demanded one enthusiast, should meet the hoped-for Parliament of Man? "The

<sup>1</sup> Randolph Bedford in the *Bulletin*, September 18, 1929.

location of this World's Centre has not yet been determined ; but as it is to be the World's City of Peace, what more appropriate location is there than Australia—the only continent that has never known war?"<sup>1</sup> It was part of the romantic make-believe of the time to pretend that Canberra was the spontaneous conception of aspiring national idealism. Perhaps the Australians would have been happier if they had permitted themselves to accept this legend. But the legend was the plaything of a tiny minority. The great majority of Australians knew well enough that Canberra had been conceived, not in generous national enthusiasm, but in the haggling of provincialisms.

The "Mother State" had been unable to hide its suspicion of an upstart Commonwealth and had demanded that the capital of the Commonwealth should be "within the boundaries of New South Wales." Victorian pride abhorred the idea of government from Sydney. The Commonwealth Constitution therefore embodied a compromise: that the capital city should be situated in territory acquired by the Commonwealth, within the State of New South Wales, but not less than 100 miles from Sydney. Then followed "the battle of the sites." How large should be the Federal capital area? Should it have access to the sea? Should it control the watersheds from which it drew its water supply? How near to Sydney, or how far from Sydney, should it be located? These bickerings lasted nearly ten years. During the following ten years was fought "the battle of the plans." It opened in 1911, when the Commonwealth Government invited architects to compete for prizes which would be awarded to the three best designs for Australia's capital

<sup>1</sup> *Town Planning in Australia*, by George A. Taylor, Sydney, 1914.



city. The Royal Institute of British Architects and the affiliated organisations in Victoria and New South Wales objected to the conditions of the competition, especially to the clause making a layman (a Labour Minister) the final judge of merit. Their members would take no part in the competition; nor would they act on the committee appointed to advise the adjudicating Minister. Thus it happened that the competition was, to all intents and purposes, a competition of foreigners judged by mediocrities. In 1912 the first prize was awarded to Mr. W. B. Griffin, a landscape architect of Chicago. Early in 1913 Mr. Griffin's plan was set aside in favour of another plan compiled by Government servants and combining prominent features which had appeared in three of the competing designs. Later in the same year a new Minister reinstated the Griffin plan, and invited its author to come to Australia as "federal director of design and construction." The federal director found that he had to overcome the active and passive resistance of the departmental officials, terrible men who counted costs and knew a great deal about sewers. In 1914 the Minister favoured the officials and harassed Mr. Griffin; in 1915 another Minister (the original adjudicator in the competition) harassed the officials and favoured Mr. Griffin. In 1916 a special commission castigated the officials. Mr. Griffin's appointment was renewed for three years. During these three years he was able to do little, owing to the war. In 1920 he quarrelled with Mr. Hughes, and Canberra knew him no more. He had not supervised the erection of a single Government building. He was, nevertheless, the victor in this "battle." In November, 1925, the Griffin plan was published officially in the Government Gazette. Whoever takes charge of the building of Canberra must carry out this plan. It is a

cast-iron scheme to which Canberra must be fitted. That is why the suburbs which have sprung up so suddenly are scattered (at very great expense, for drains, roads, sewers, power, and light straggle over miles of emptiness) around the periphery of the city area. The city has been planned and will be made ; it must not grow.

Neither growth nor planning is a virtue in itself ; there can be untidy, ugly growth, or an empty, pretentious plan. The plan of Canberra is that of a garden city, in which the garden is more emphasised than the city. It is ten times more spacious than the new Delhi. In Australia, more than in any other country, the modern tendency of cities to scatter and spread may operate without check. It is therefore impossible that Australian cities should have "form" according to the old standards. It is true that the paper plan of Canberra is elaborately formal. Viewed from an aeroplane, the city would appear as an intricate geometrical pattern of lines which sweep round three chief centres. Unity between the centres is sought by means of three "axes"—the land axis, the municipal axis, and the water axis, which passes through the five ornamental basins which some day will bisect the city. Upon the architectural treatment of these "axes" the future character of Canberra in large measure depends. Mr. Griffin paid particular attention to their symbolical treatment. His symbolism is of a sociological kind. Everything is placed in relation to everything else in accordance with a curious academic "system." The buildings of the future university, for example, are planned in concentric circles intended to illustrate the expansion of human knowledge from the fundamental sciences through the theoretical sciences to the applied sciences, beyond which are "those spheres where the sciences will be utilised in real life." Thus, on

that part of the rim of the outer circle marked by the two spokes running out from biology, lie surgery, medicine, pharmacy, recreation, athletics ; in the offing there is a hospital and a field pond. This is an interesting exposition of the new culture. But it is not architecture. Architects must some day attempt the task of translating the elaborate pattern of lines and figures into three-dimensional form. It is doubtful whether they will succeed. Form is produced by pressure, or by the deliberate economy of space. The pattern of an hexagon which is so obvious on a paper plan is not an intelligible figure to citizens who must spend five or ten minutes pacing the length of one face of the hexagon. The design becomes invisible ; all that is left is a series of bewildering jerks. Similarly, the curves of a street have no formal significance unless there is a just proportion between the width of the street and the height of the buildings which front it. If the houses stand up like a wall they will mark the line of the street no less distinctly than it is traced on paper. But in the vast open spaces of Canberra's suburbs breadth has spread and height has shrunk till the houses have, from the point of view of general design, no more relevance than a kerb-stone. Perhaps the design may still be saved by "punctuation" and the happy closing of vistas. But, in Canberra's suburbs, the work of translating the plan into three-dimensional form has already failed. Canberra is springing up in the familiar Australian way as a kind of suburban garden parcelled into plots by a network of paths which have no obvious beginning and lead to no visible end. It is a chaos of prettiness.

It has all happened so quickly. After twenty years of argument and delay the Commonwealth decided in 1920 (under pressure from New South Wales) that it must

hasten to honour its bond. Seven years later the Duke of York opened "provisional" Parliament House, which is as yet the only significant building in Canberra. In the intervening period, the Government had spent a very large amount of money in making "a garden town, with simple, pleasing, but unpretentious buildings . . . planned, nevertheless, to afford adequate comfort and reasonable convenience. . . ." So, after all, the "middling standard" asserted itself. "Adequate comfort and reasonable convenience"—that was all the Australians could afford. After the City Beautiful and the Pride of Time, it seems rather an anti-climax. There is something very attractive about garden cities; but it is difficult to pretend that they are nobler than Pericles' Athens. The Australians did not really want to make "a world's centre of civic beauty." Their ideal of "fair and reasonable" is laudable from the humanitarian point of view; but it does not aim at special excellence in artistic creation. Democratic society aims, in its present stage of development, at average satisfactions for average people. This is an excellent aim, which becomes delusive only when it is pretended that the average is "divine." The Australians have said: "Seek ye first a high standard of comfort, and the Kingdom of God shall be added unto you." What they have really wanted is the high standard of comfort. Perhaps Tocqueville was right when he reflected that democratic nations "will cultivate the arts which make life easy in preference to the arts whose object is to adorn it."

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Canberra is a document of Australian immaturity. Tocqueville would probably have read it as a document of "pure" democracy. Believing that the form of

society which he observed in America was destined to assert itself even in his own France, he made himself its melancholy herald. Yet his book paints a vivid picture, not of "pure" democracy (for there is no such thing), but of an individual democracy which had grown up under pioneering conditions. It is this which makes it particularly valuable for Australians. Thoughtful Australians will not deny that they too have been content (except in the production of staple commodities, which has been Australia's proper business) with a "middling standard"; but they will not admit that this standard is fixed for ever. They will assert that it is a phase of their national growth. Australian democracy has been interwoven with Australian nationalism, which insisted upon establishing its own standards instead of contenting itself with insipid imitations of English gentility. Its hearty self-assertiveness has the flavour of popular ranting in the Tudor age. It is as if the Australians had skipped the eighteenth century and were back in Edward VI.'s England without the lords of the council and all the nobility. The period of enthusiastic radicalism—the period, that is to say, of Syme, Deakin, Higgins, Archibald's *Bulletin*, the youthful Labour party; the period of "fair and reasonable," of "independent Australian Britons," of Canberra—is already closed. It produced some excellent rhetoric and even some noble utterance. It made the Commonwealth. Its impatient optimism reared some pretentious structures, intellectual as well as economic, upon inadequate foundations. Its standards were "middling." But the most impressive thing about this age is its vigour, the restless energy which it poured out everywhere, and even in the pursuit of fixity. It may perhaps be regarded as the climax of the gold-rushes. It marks an episode in the adjustment

of old stocks to a new climate ; it witnesses the first experiment in a national "form." There will be many centuries of experiment.

Hitherto experiment has been confined overmuch to politics. What the Australians seem to have achieved in this sphere is largely illusory : first, because they have been sheltered from other nations ; and, secondly, because they have been but a handful of people in proportion to the resources of their country. Therefore they have never been compelled to shoulder the responsibilities and withstand the pressures which are part of the normal life of older peoples. This accounts in part for the untidy growth of their systems of political economy. They have, in fact—even when they imagined that they were casting down mighty barriers—followed the line of least resistance. The exuberant, egotistical, idealistic nationalism of a generation ago was the sign, not that the Australians had already become a nation, but that they wished to become one. For nationality consists, not merely in political unity, but in spiritual achievement. Regarded from this point of view, the Australian people has not yet come of age. Its position is a peculiarly difficult one. It is not an advantage to be "the whole world's legatee." The heir to all the ages can neither understand nor enjoy the whole of his inheritance ; in practice he cares little for any of the ages except the last. This is true in politics and industry, in religion and in culture. The Australians inherited parliaments, but they did not inherit the parliamentary grandeur of the age of Pitt and Fox. They quickly learnt to push constitutional forms to the extreme limit so that they might get their way. They made their legislatures a school of bad manners. Australia is (professedly) a Christian country ; but she has not inherited the Christianity of

the crusading age or the covenanting age; she has inherited the more reasonable Christianity of a less passionate age. She has also inherited credulous rationalism and all the other "isms" of the nineteenth century. She has not inherited a village civilisation nor love of the soil, but she has inherited factories and factory-farms and the class war. She has inherited textbooks written by professors of sociology. Very frequently, the textbooks are out of date. It is picturesque, but misleading, to imagine the citizen of Melbourne or Adelaide with "his foot upon the Future's verge." His ideas are—necessarily, because he is so far away from those tradition-ridden centres where men are adventurously thinking—behind the times. He inherits, sartorially and intellectually, last season's fashions. He has also inherited habits curiously unsuited to his sub-tropical climate, such as the habit of consuming liquor standing at a counter behind swing doors. He has rejected the standards of a rural gentry, but has inherited the standards of an urban bourgeoisie. He has inherited motor-cars, moving pictures, and new notions in journalism. ("MITTAGONGITES! Place Mittagong on the Map for all Time. Be a Booster for Your Own Town! You can boost your own Town and make it an Ideal Tourist Resort by giving us your co-operation and help by insisting on having only Milk from Tested Animals!") He has inherited a ready-made civilisation. How, then, can he discover and express a life of his own? Amidst this foreign din, how can Australia's voice be heard?

Australians who love their country—as distinct from the "good conditions" which they may enjoy there—are sometimes tempted to avert their eyes from the spreading rash of nineteenth-century suburbanism. They will not see Canberra; their view winds down rippling

grass slopes over the city and upwards to rapid ridges and ravines which rise to the beautifully lifting scarp of the Monaro plateau. Some of them resent even the domestication of wild landscapes and the civilising of the Bush.

“Many there are who seek no higher lot  
For all your writhing centuries of toil  
Than that the avaricious plough should blot  
Their wilding burgeon, and the red brand spoil  
Your cyclopean garniture, to sow  
The cheap parterres of Europe on your woe.  
They weave all sorceries but yours, and borrow  
The tinkling spell of alien winds and seas  
To drown the chord of purifying sorrow,  
Born ere this world, that pulses through your trees.”  
(O'Dowd, from *The Bush*.)

Others go questing into “the outside country.” “For out here you have reached the core of Australia, the real red Australia of the ages. . . . That is the real Australia, and it is as delicate as its own grasses.”<sup>1</sup> Suspicion of the spread of urban life is more than a sentimental fad of literary men. Mr. Bean is the editor of Australia's official war history, and declares, in the *Royal Historical Journal* (vol. xiii., p. 14), that “the results of our experience show that the country-bred man is, other things being equal, the better soldier. An examination of an enormous mass of data brings that lesson out again and again; the distinction is perfectly well marked.” It is not without reason that those who wait impatiently “till we become ourselves, distinct, Australian,” should look beyond the marine ribbon of settlement out into the central plains where a new people will be made. Francis Adams prophesied half a century ago that the men of “the Pacific Slope” and the men of “the Eastern

<sup>1</sup> C. E. W. Bean, *On the Wool Track*, p. 72.



Interior" would soon be different races. "The difference between them is so complete that it will soon be quite inaccurate to use the same name for both. . . . Nothing but the intense, the overwhelmingly and horribly intense character of the climatic conditions of the Interior could account for a differentiation absolutely defined after two generations. . . . The Bush is the heart of the country, the real Australian Australia, and it is with the Bushman that the final fate of the nation and the race will be." That may be true. But Australia cannot find her soul in a hermit's solitude. The "two races" are less distinct now than they were half a century ago. If the Bush is "the real Australian Australia," it is not merely because the Bush is remote, but because it is "tethered to the world." And that is as it should be.

"When the clipper fleet comes over  
When the scent is on the clover,  
And the scarlet streaks the blue;  
When the Western sheds are ringing  
And the Western men are singing  
    As their rolling teams come through,  
    Then it's ho, ho—Wool ho!  
For the busy shears are clipping, and a stir is in the  
    shipping,  
    And it's yo, ho—Wool ho!"  
(E. J. BRADY.)

It is only the weak who fear a stir in the shipping. The strong feel no need to close their ports.

Australian democracy has been proud to boast that it is

"Product of the present only,  
Thinking nothing of the past."

That is one reason why Australia is threatened with submergence by the more stupid ideas, credulities, and quarrels of the day before yesterday. It is the parable of

the house swept and garnished. Perhaps it was necessary to reject the values of an old world. This means that the Australians must create their own values, or rediscover the old ones for themselves. Hitherto they have accepted the "middling standard." They have been willing to water good wine so that there may be enough for everybody. Their democratic theory asserts that the divine average has, potentially, a cultivated palate. This theory will be compelled to adjust itself to the facts. The majority of men want honest beer. A very small minority prefers rare vintages. When this minority wants them desperately enough it will get them. Tocqueville's theory of the perpetual mediocrity of democratic society is interwoven with his theory of the tyranny of the majority; but, under every form of society, it is always a minority which holds power. A minority which recognises true standards will know how to make them respected. If necessary, it will make them respected by overthrowing the majority. If democracy is essentially mediocre it will become decrepit and be thrust aside. The warning comes from old countries. And it is a mistake to consider life in new countries as if it had settled into stagnation.

Qualities must be tasted and felt; they cannot be proved. The possibilities of a new people in Australia may be suggested (perhaps sentimentally) in a parable. Australia had a dog of tireless limbs and terrific strength of jaw; necessity had taught it to range vast distances in search of prey and to creep in silence upon its belly within pouncing distance of a victim. Then the British came, bringing sheep and cattle, and friendly, intelligent Scotch collies who would race round a flock of sheep, barking jovially—effectively, too, while the sheep remained gentle and the fields small. But the unhappy collie panted and sweated and barked ineffectually at wild

merinos scattered over endless miles of blistered Australian plains. It was necessary to find a dog that would "do the work of three men"—a tireless animal that would work wide to gather the mob, hold it when it sought to break, drive and shepherd it with more than human energy and patience. The Australian kelpie, bred from judicious crossing of smooth-haired Scots collie (with a slight strain of fox) and the native dingo, satisfies these conditions. "For the kelpie no day is too hot and none too cold"; it will gather a mob by working wide, and frighten it into steadiness by creeping forward on its belly like a stalking dingo. Similarly, in the evolution of an Australian cattle-dog, the native dingo strain has been decisive. There were many experiments and many disappointments; at one time the cross produced too severe a biter, at another too hearty a barker. In the end there emerged a big, silent, tractable, clean-biting dog, which would follow a mob of cattle, urge it forward by snapping at the hind-legs of stragglers, and then lie flat on the earth to escape their kick; or, if need be, gallop to the head of the column and swing it to right or left by snapping at the leaders' necks.

The story of the dogs can be no more than a parable; it is not an analogy. When it suits them, men may take control and play fine tricks and hustle Nature. Yet we may believe that Australia, quietly and imperceptibly (what do a few centuries matter, after so long a waiting?), is experimenting on the men as they experimented on the dogs. She will be satisfied at long last, and when she is satisfied an Australian nation will in truth exist.

## CHAPTER XIV

### LITERATURE AND ART

It was only gradually that the Australians began to achieve awareness of their country, and of themselves as belonging to it. Australia was, first of all, a dumping-ground for England's refuse. Then she became a new field for the swarming of British stocks. Any other large, empty country would have suited just as well. Australia was the Antipodes, whither men were bewilderingly whirled. The stolid ones ignored its strangeness; the homesick ones (and most were homesick) resented it; the greedy (and all were greedy) exploited it. Those who were romantic described for the benefit of their friends in civilised Europe the curious spectacle of eucalypts and marsupials and Stone Age aborigines. And this is how Australian literature begins, with Barron Field's *First Fruits of Australian Poetry*:

“Kangaroo, Kangaroo!  
Thou spirit of Australia,  
That redeems from utter failure,  
And perfect desolation,  
And warrants the creation  
Of this fifth part of earth.”

Fifty years later the Australians were still being invited, by Marcus Clarke, to see their country as “a fantastic land of monstrosities,” telling its “story of sullen despair” “in the language of the barren and the uncouth.” Such a story Clarke himself told, melodramatically and powerfully, in a book which was, until recently, the most notable of Australian novels—*For the Term of His Natural Life* (1872). Two other respect-

able romances were written in the nineteenth century—*Geoffrey Hamlyn*, by Henry Kingsley, and *Robbery under Arms*, by T. A. Browne ("Rolf Boldrewood"). The first book depicts the hey-day of squatterdom and the last decade of convictism; the second depicts the bush-ranging days. Both are full of local colour; but neither is completely Australian. Even Browne, who came with his family from England at the age of four and lived the life of the stations and the gold-fields, which he describes with so much zest, thinks it proper to confer upon his heroes the felicity of spending their colonial-made fortunes in England. This was the British-Australian convention, which was hardly challenged until half a century ago. Australian life was interesting to stay-at-home Englishmen and to Englishmen-Australianate so long as it seemed picturesque. But the supply of adventurous younger sons, innocent convicts, and chivalrous bushrangers was not inexhaustible. And what else was there to write about? Some day, perhaps, Wentworth's undergraduate vision might be realised—

"And Australasia float, with flag unfurl'd  
A new Britannia in another world!"

But in the meantime Australasia was *colonial*—a very provincial Britannia, and dull. The British-Australian convention died at last from pure boredom. Absenteeism still remained, a permanent weakness of Australian life; but it was no longer a theme of romantic interest.

If the Australians were nothing more than provincial Englishmen, it would be absurd to speak of an Australian literature. The possibility of such a literature is dependent upon the uniqueness of Australian landscapes and the individuality of Australian life. Its distinctive character will consist, partly in the themes which it

handles, partly in its method and outlook. It will be Australian in the sense of being an individual contribution to English literature. It has not yet become wholly individual, because it is still engaged in the task of building its own tradition. The difficulty of this task might be illustrated by a study of the language changes which have occurred in Australia. One hundred years ago a visitor to Sydney observed that the cockneys had "stamped the language of the rising generation with their unenviable peculiarity."<sup>1</sup> Side by side with this "London method of pronunciation," and frequently interwoven with it, there has grown up (as the natural product of a new climate) an Australian intonation which, though it is thin and narrow in its range of tone, is expressive and pleasant to the ear. Those teachers who struggle against the common curse of debased English would do better to develop the resources of this legitimate accent rather than attempt the impossible task of impressing upon scoffing pupils Oxford English thrice removed. The Australian intonation has in it something of heat-dazzle in "the land of lots o' time." There has been a similar influence upon the vocabulary of the Australians. It is smaller and simpler than the vocabulary of middle-class Englishmen, for Australia does not tolerate forms of thought and expression (such as irony) which are perplexing or offensive to the average man; and has also rejected, almost at a blow, the beautiful names of an intimate countryside—fields and meadows, woods, copse, spinney and thicket, dale, glen, vale and coomb, brook, stream and rivulet, inn, and village. But in their place there is the Bush and a new vocabulary of the Bush—billabong, dingo, damper,

<sup>1</sup> *Two Years in New South Wales*, by P. Cunningham, 1829. Letter XXI.

bushwacker, billy, cooe, swag, swaggie, humpy, stockman, jackaroo, squatter, bushranger, sundowner, brumby, drover, never-never, outback, back-blocks. One is "on the track," "on the wallaby." Many words have come from the aborigines, some have worked upwards from "St. Giles' Greek," others (digger, fossick, pan out) derive from the gold-rushes, and others still are originals coined off-hand out of experience and a matter-of-fact humour. Here, surely, is new wealth, expressive of a distinctive and vigorous life, material for an individual literature.

As early as the sixties of last century the native-born population outnumbered the immigrants by three to two, and newcomers to Australia began to find there, not merely a camping-ground, but a community in which they were willing to be absorbed. Writers in new countries are apt to be indifferent to the technique of their craft, partly because of their isolation and the low standards of criticism, partly because they are pre-occupied with a content hitherto unexpressed, rather than with form. For this reason the work of writers who have adapted to Australian conditions the technique which they had acquired in Europe (Gordon, Daley, Ogilvie, Hebblethwaite, and others) has been an important influence in the development of native expression. It was a Scottish schoolmaster, Brunton Stephens (already thirty-one years of age when he came to Queensland), whose forecast of *The Dominion of Australia* lifted to a new level the poetry of Australian patriotism—

"She is not yet; but he whose ear  
Thrills to that finer atmosphere  
Where footfalls of appointed things,  
Reverberant of days to be,

Are heard in forecast echoings,  
 Like wave-beats from a viewless sea—  
 Hears in the voiceful tremours of the sky  
 Auroral heralds whispering, 'She is nigh.' . . .

But the best verse written in Australia during the nineteenth century came from the pen of an Australian-born poet, Henry Kendall. His work may be regarded as that of a minor poet of the English Romantic school, for he leaned heavily upon Wordsworth and the later Romantics; but it possesses also an altogether different significance as the beginning of a native tradition in lyric poetry, the poetry of personal experience and of the Bush. Kendall uses the words of a diction which Australian speech has rejected—dale and glen, rill and brook—but he also weaves into his verses, very musically, the aboriginal place-names of Australia. He sings spontaneously of Australian seasons, of "the valleys of coolness, the slopes of the heat," of the burnt ridges and the "fern-feathered passes" in the beautiful Pacific country where he was born. It is in the spirit of Kendall that the Australian painters, a generation later, began to annotate and interpret these same mountains and coasts.

An influence which had more immediate effect than Kendall's was that of Adam Lindsay Gordon. Gordon was a British-Australian who accepted the convention (which was, indeed, in harmony with one side of his own temperament) that the Bush was alien and melancholy but he also expressed in action and in verse the gusto with which manly Britons lived an outdoor life under Australian skies. He loosened his Swinburnian rhythm to imitate the galloping of horses, and adorned his rhymed anecdote with moralisings which were acceptable to a simple people engaged in primitive struggles—



"Life is mostly froth and bubble;  
Two things stand like stone:  
KINDNESS in another's trouble,  
COURAGE in your own."

Although Gordon never became acclimatised to Australia, he popularised the ballad form, the long, loping line, and the jingling rhythms which sprawl over most of the pages of the two or three thousand volumes of verse published in Australia since his tragic death in 1870. The Australians, after all, were spreading and wandering like their metres. Their ballads dealt most frequently with the "Eastern Interior" and the types of men which wandered over the length and breadth of it—drovers and shearers, prospectors and bullockies, men who would not touch their hats to landlords and disapproved of stations which were named "Chandos Park Estate." With Henry Lawson and "Banjo" Paterson this nomad literature became part of the democratic nationalism which repudiated English fashions, baited the squatters, preached federation, and played with the idea of republicanism. This means that it became part of Archibald's *Bulletin*, which (so *The Times* once said) "educated Bush Australia up to Federation."

Archibald had in his veins blood of the Scots, the Irish, the French, and the Jews; and he was Australian-born. When he visited London he was appalled at "the unspeakable, incredible callousness of the rich towards the poor; at the denying of meals to the wan and hungry by the fat and fashionably dressed; at the dreadful sights of the city's centre, the Strand." He thought of London as "that cruel city." His Australian patriotism was, at least on the surface, anti-English, and under his editorship the *Bulletin* buried the corpse of the Anglo-Australian convention. His creed was Australia, and the

*Bulletin* existed to make Australia articulate. There is a flavour of calculating irreverence in its repudiations of colonial gentility, a larrikin smartness and deliberate crudity which has developed into the "dinkum Aussie" cult. This spirit has expressed itself most obviously in the cartoons of Hopkins, Phil May, Low, Will Dyson, and Norman Lindsay. The Australian facility in black and white was a discovery of the *Bulletin*. Indeed, there was no distinctive Australian activity, during the two last decades of the nineteenth century, which the *Bulletin* did not discover, or at least foster. It shifted the literary centre of Australia from Melbourne to Sydney. Those were roaring days for the untidy crowd of scribblers, for the *Bulletin* paid promptly, and an erratic favourite of Archibald's might sometimes receive an anticipatory cheque.

Probably the larger part of the ballads and short stories which have been collected in anthologies appeared originally in the *Bulletin*. The Australian short story is the prose equivalent of the Australian ballad—which, indeed, is frequently nothing more than a short story chopped into rhymed lengths. The descriptive prose of Australia is better than its descriptive verse. The *Bulletin* has probably done a disservice to the versifiers by encouraging their diffuseness, but it has compelled the story-tellers to economise their words. These *Bulletin* stories are effective. They have few subtleties or graces; no picturesque heroes (except in Papua); few crises of passion or terror; no contrasts or complexities of pattern. They are slices of experience. It is as if a band of collectors had been scouring all Australia and the adjoining islands for representative types and sub-types of *homo sapiens*. It must be admitted that the rival collectors have frequently captured very similar specimens.

Moreover, they have a tendency to plaster them over with sticky mixtures of local colour. Yet, for Australians, these stories have the significance of a folk-record, a chaotic chronicle of their outpouring over a continent, of their endurance, wretchedness, brutality, chivalry, courage, and triumph.

There is no reason why this flow of stories should slacken until the flow of primitive life has ceased and the back-blocks have become sophisticated. But no work of the last thirty years has reached the level of Henry Lawson's writing in the ten years preceding federation. Before Lawson, the western Bushmen had been "mere automatic reactions to the struggle for existence." Lawson made them real, not only to themselves, but even to civilised persons in Europe. He was himself a nomad, and too direct to attempt tricks of style and plot and pattern; he simply saw things, in their general significance and in their most minute detail, and transcribed what he saw, with a humour and pathos which are not something added, but qualities of the life in which he shared. To the Australians of that time Lawson's stories brought self-recognition. The only comparable literary effort was that of Joseph Furphy ("Tom Collins"), who crammed between the covers of one book (*Such is Life*) a whole lifetime of physical and mental meanderings over the western plains and through the universe. Collins is the philosopher of "the earlies" in Australia, and it is curious to observe how he constantly returns from his ramblings in almost every field of speculation and erudition to the Australian simplicities—to Lawson's "gospel of mateship" and the nationalistic defiance of an aristocratic past, with its "clinging heritage of canonised ignorance, brutality, and baseness." In Lawson and Collins, and almost every other writer of the *Bulletin*

school, Australian nationalism expressed itself as a repudiation of English conventions and standards, as a vindication of equality and democracy and an assertion of the supreme worth of the average man.

This Australian creed was explicitly stated in the poetry of Bernard O'Dowd, who is, with Deakin, the most Australian voice in the pre-war period of the Commonwealth. Poetry, according to O'Dowd, must be "militant." "I hold that the real poet must be an Answerer, as Whitman calls him, of the real questions of his age." "It is just as big a heresy to say that Art is for Beauty alone as to say that it is for Good alone, or for Truth alone. Art is for The Good and The True by way of The Beautiful." True to his conviction, O'Dowd dedicated his muse to the quest of "the Grail that holds the Proletarian Eucharist." He composed hymns for "the bottom dog brigade." Yet, because of the severe discipline which he imposed upon himself, and because it truly was by way of the beautiful that he sought the good, he carved his unpromising material into forms which will be enduring. His thought ranged so far and his feeling for Australia was so intense that there are glimpses of unrecorded and unlived centuries even in poems which he conceived as tracts for the times. His longest poem, "The Bush," opens almost absurdly with lists of his obscure contemporaries and with fantastic historical comparisons. But its solemn stanzas gradually unfold a vision of Australia's timeless beauty and of a devotion through which her new children may make her soil sacred—

"We love our brothers, and to heal their woe  
Pluck simples from the known old gardens still;  
We love our kindred over seas, and grow  
Their symbols tenderly o'er plain and hill;

We feel their blood rebounding in our hearts,  
 And speak as they would speak our daily parts.  
 Yet under all we know, we know that only  
 A virgin womb unsoiled by ancient fear  
 Can Saviours bear. So we, your Brahmins, lonely,  
 Deaf to the barren tumult, wait your Year. . . ."

Occasionally O'Dowd seasons his intense passion for Australia with a spice of humour. In *Auster Rampant* there is a deliberately impish arrogance—

"Antipodean? Whew! We are the head,  
 The oceanic head, while you, slung low  
 With lands that scrape the floor of heaven, gaze  
 Far o'er the Bull your old Europa wed  
 Up to the Chambers of the South where glow  
 Our pennant stars, our wider Milky Ways!"

In a sonnet which interprets the "Arrogant stare of an Australian cow" he ridicules with a very pleasant irony the petty greed of the short-lived generations of men. But his irony is sharpened by the passion of his belief that man has it in him to achieve nobility. And his patriotism urges him to an insistent questioning of Australia's destiny; for may it not be here, in Australia, in this "Last sea-thing dredged by Sailor Time from Space" that man may march at last towards the Light? He asks a question which he dare not answer—

"The cenotaphs of species dead elsewhere  
 That in your limits leap and swim and fly,  
 And trail uncanny harp-strings from your trees,  
 Mix omens with the auguries that dare  
 To plant the Cross upon your forehead sky,  
 A virgin helpmate Ocean at your knees."

Despite his intense nationalism and his jealous passion to guard Australia from barbarian plunderers, O'Dowd claims the right for Australian poets to inherit, and (if they can) contribute to, the accumulated wealth of English poetry—

"Whate'er was yours is ours in equal measure,  
The Temple was not built for you alone,  
Altho' 'tis ours to grace the common treasure  
With Lares and Penates of our own."

The task of the Australian poet, as he conceives it, is "to report . . . all things that have been and are . . . from an Australian point of view." This is a useful protest against parochialism in literature. Poetry which is tied to circumstances of time and place can never be poetry of a very high order. A good deal of Australian verse is mere documentation, useful to the historian. It may even be doubted whether "the Australian point of view" is so very important. All that matters is that poets should approach their universal themes by the road of their own experience. To this extent only is true poetry "national." It is on the whole cause for satisfaction that, in contemporary Australian verse (for example, in the delicate lyrics of Shaw Neilson), Australia is becoming an influence rather than a doctrine or a "subject." Nor should Australians complain if some of their poets contribute directly to European letters, as C. J. Brennan does; or if others, like W. J. Turner, discover that they can do their best work in England.

The idea of "Poetry Militant" may be discerned in the work of two writers of the post-1914 period—Furnley Maurice and William Blocksidge. Both these names are pen-names. Furnley Maurice believes that poetry should be "drawn straight from the fact," and professes a democrat's faith in what he calls "the wonder of honest and slow seriousness—dulness, in fact." His verse is uneven; but it has body, and is, as a rule, technically well-handled; moreover, Maurice has, despite his serious creed, an imaginative fantasy which has expressed itself very pleasantly in books for children. Blocksidge is

Australian in the Anzac manner. A good deal of his work is poor poetry and poor philosophy; but it is nevertheless extremely interesting because of its uncompromising revolt against the democratic dogma which, for half a century or more, has been interwoven with Australian nationalism. He has published privately a national tract called *The New Life*, which preaches rebellion against democracy and the tyranny of "the bottom dog brigade."

"List you, list you to this word,  
Ay, and list again!  
Modern democracy is the sword  
That mows all proper men.

Idiocy at ease abides;  
Lunatics and suicides  
Draw out in number; the lean and sick  
Enlarge themselves. Why should we stick  
At clearing this high foulness?  
At purging this low dulness?"

He wants "blood alive," "more blood, more joy, more spirit," and exclaims bitterly—

"The slaves, the weak, cried out 'Love well  
The slaves, the weak!' And so it fell."

He loathes the democratic passion for comfort ("Too great security one cause of barrenness") and thinks that it is the business of Australians to swarm. "Our present goal (to be supplanted, when reached, by one of longer touch) shall be the overrunning of Earth by Australians, strong, hot-necked, natural men."

All this is interesting because it voices a violent reaction of Australian individualism against Australian social democracy. Blocksidge denounces the civilised calculations and timidities which end too soon the barbarian age of the Australians. The poetry which he expects from

them is an epic poetry suitable to a primitive people. He has built much of his verse upon the Elizabethans and Blake, and in his prose there are Old Testament rhythms. He has written ("to entertain soldiers, and not for young women") one notable book of war stories, *The Anzac Muster*, which aims to be a prose epic of Australian manhood and Gallipoli.

In recent years there have been signs of new life in the prose of Australians. The short story business still returns regular dividends—two or three tales a week in the *Bulletin*, and others scattered about. Most of them are competently mediocre in the established manner, but one or two writers have broken new ground. Vance Palmer and Myra Morris have introduced elements of complexity and contrast into their studies of situation and character. Vance Palmer is a deliberate stylist and very sensitive to Australian landscape; both in his stories and his novels he has conveyed an impression of the subtle interplay of personalities with each other and with the earth from which they spring. He has broken from swing and swagger and crude Australian vigour. One of the most vigorous of Australian novelists is Katharine Prichard, who has written about Gippsland, the south-western forests, the north-western stations, and the central deserts. One suspects occasionally a conscious endeavour to cover the vast open spaces of Australia with descriptive literature; but her description is often vivid, and she writes of Australia as one who belongs there. Her people are instinctive and sometimes violent creatures of nature; they merge with the landscape. One may trace in Katharine Prichard and in other Australian writers the influence of D. H. Lawrence. There is, however, an encouraging variety in recent Australian fiction. Novelists have at last understood the significance of



Australian history as a transplanting of stocks and the sending down of roots in a new soil. Two family chronicles—*The Montforts*, by Martin Mills, and *A House is Built*, by H. Barnard Eldershaw—have illustrated the continuity of life amidst the chaos of migrations and settlement. The first book records the efforts of an old family to maintain its tradition against the levelling aggressiveness of "the wealthy lower orders" of Melbourne; the second book launches a new family on the full, vigorous stream of Sydney's life. It is very successful in recreating periods of history—perhaps too successful, for in some chapters one looks almost instinctively for the historian's footnotes. There is no suggestion of documents in Henry Handel Richardson's fine trilogy, *The Fortunes of Richard Mahoney*. This book is architecture on the grand scale, with all the scaffolding cut away.

All these novelists, except Vance Palmer, have adopted pen-names. Perhaps this is a device of self-protection. For the best Australian writers are frequently without honour in their own country. Henry Handel Richardson's first novel, *Maurice Guest*, had for twenty years enjoyed a reputation among discriminating readers in Europe before the Australians heard of it. The first two volumes of the *Richard Mahoney* trilogy did not interest them, and they began half-heartedly to read the third volume in deference to the opinion of English reviewers. It is very difficult to secure the best Australian books in Australian bookshops. There is in Australia no literary review with decent standards. The Saturday editions of the metropolitan daily papers are an inadequate substitute. Sometimes there is good criticism in the *Bulletin*, but just as often there is bad criticism; for the convention of that paper is that anyone may ventilate

in its columns his literary prejudices. Emphatic journalists argue with each other on the *Bulletin's* red page about the Australian accent, Danish education, why Australians leave home, and other entertaining topics; but they offer no consistent guidance to readers who wish to avoid the worst books and buy the best. The "middling standard" is nowhere more apparent than in literary criticism. Australia, as always, is merciful to the average. The better writers, feeling that they are misunderstood, frequently make things worse by overpraising each other. The reading public in the great cities has not the energy to look for plums of promise in the cake of mediocrity, and contents itself with English reputations. Sydney and Melbourne have between them nearly 2,000,000 inhabitants. Nowhere in the world is there so large a mass of people content to live so much of its life at second-hand. Yet, in the long run, the remedy is with the Australian writers. If they make their novels good enough the public will have to read them. If they write and produce good plays the public will in the end demand to see them. Melbourne, like Dublin, might become the home of a national theatre. A beginning has been made here by Louis Esson, who has written and produced some short plays (*Dead Timber* is the best) as the first Australian protest against the imported commercialised mediocrity of England and America.

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The artists are more fortunate than the writers. Indeed, in art the Australians have gone to the other extreme; for they will buy nothing that is not "locally produced," and tax civilisation by means of a protective duty upon foreign work, and even on the work of Austra-

lian painters who have dared to remain too long abroad. Some day, perhaps, they will devise a scheme for "dumping" their pictures as they "dump" their butter. Nevertheless, their nationalist outlook on art is healthy, so long as it does not perpetuate itself. It has been a necessary revolt against imitation and the habit of seeing things with other people's eyes. It is due to Julian Ashton, more than to any other man, that Australian painters have won the support of an enthusiastic public. Fifty years ago Australian picture buyers were content with the sweepings of English studios. When Julian Ashton arrived in Melbourne in 1878 he painted half a dozen small impressionist renderings of Australian landscape, and exhibited them in the front window of the *Age* office. Crowds stopped to look at them; but nobody seemed to realise that they were for sale. Ashton had not intended to settle in Australia; but before packing his bags for return to England he decided to see Sydney. Sydney charmed him, and he met there some Americans, who engaged him as an illustrator for *The Picturesque Atlas of Australasia*. So for three years (1883-1886) he swayed and jolted over Australia in the coaches of Cobb and Co., and understood its immensity of light and space. He painted what he saw, and for forty years has taught his pupils to see and to paint what they see. He is not a great painter, but he is a great teacher, and, if need be, a fighter. Before the war he persuaded some of the painters whom he had trained to open a shop in Sydney. The shop succeeded. Private dealers followed. The war helped to make Australians confident in their capacities, and, since 1916, a periodical called *Art in Australia*, with its attractive printing and reproductions, has most successfully popularised the achievements of Australian artists.

Australian painting falls within the short modern period between "plein air" and "significant form." In technique it is always conservative, escaping the violent fluctuations of fashion which occur in Europe, and trailing after European progress. It has not written a new chapter in the history of art, although it should find a place in the history of impressionism. It should find a very important place in the history of the Australian people. For the painters have revealed Australia to the Australians. This is an achievement of the last fifty years. There were, of course, painters in Australia before the eighties. Some of them had merely visited the country, either of their own free will or (like the notorious Waynwright) under compulsion; others, like John Glover, had lived there. But there had been no continuity of tradition, and little understanding of Australia's peculiar content, until Louis Buvelot settled in Victoria in 1865. He did not teach, but he was an example to the younger men. One of them, Tom Roberts, returned to Australia in 1884, after four years in Europe, and began to record, with a generous use of paint, the life of stations and shearing-sheds and Australia's unlimited out-of-doors. In 1888 two other young men, Conder and Streeton, joined Roberts in a camp at Heidelberg, near Melbourne. A few years later Streeton moved to New South Wales. It was he who created "the blue, the gold, of Sydney." His technique was simple, but he knew how to work within its limitations. It was sufficient to express upon canvas his direct, enthusiastic vision of Australia's blue distances, of "the purple noon's transparent light." Through Streeton, the Australians discovered their country, suddenly, as if by revelation. His landscapes have become Australia, just as Perugino's skies are Umbria. His vision is part of

Australian nationality, so that exiled Australians, when they try to remember their country, call to mind the pictures which Streeton painted for them. Streeton's landscapes are a national habit.

For the artist, every habit is bad. Streeton left Australia in 1897 and did not return until after the war ; but the habit of imitating Streeton's work of forty years ago still persists, so that one frequently feels, after attending an exhibition of Australian paintings, that one has seen them all before. Perhaps the duty upon imported pictures helps to keep alive the horde of half-trained, unprofessional sketchers whose pretty superficialities pass from the art exhibitions and shops to crowd the walls of thousands of suburban houses. But fiscal protection does no more than emphasise Australia's natural isolation. "From the minute that one lands in Australia," says Hardy Wilson, "stagnation begins." Yet even isolation may have its advantages. In Australia's cities it is hard not to think this. A rapid succession of architectural vulgarities, each one more blatant than the last, has for nearly a century deluged upon Australia and swamped the early tradition of dignified construction which Hardy Wilson himself has finely illustrated in his drawings of *Old Colonial Architecture*. A restless spirit of innovation and experiment may not be altogether desirable in a country where there is little educated criticism and no ballast of æsthetic experience. And, if Australian artists are usually a generation behind their European masters in technique, Australia herself is suggestive of many new forms. Streeton revealed Australian distances, but he was unable to handle the detailed problems of Australian foregrounds. The solution of these problems has been the special task of Hans Heysen, a painter who has affinities with the Barbizon

school, and who has deliberately accepted isolation as something which harmonises with his own temperament and needs. Heysen lives at Hahndorf in South Australia, where the peasant landscapes of Germany are set amidst the Australian Bush. He makes no experiments with the technique which he acquired years ago in Europe, and renders without effort a life and landscape to which he has become attuned. He has, among other things, devoted himself to the "portraiture" of the gum tree. Somebody had to explain this tree. It is the most constant feature of Australian landscapes. Visitors to Australia still think it monotonous when merged in the forest mass, untidy and straggling when it stands alone. It is a tree which conforms to no pattern, and whose down-hanging, flickering leaves absorb and reflect the sunshine. It suggests endless problems of form and light and shade. Heysen's rendering of this various and fascinating tree in many forms and atmospheres has been a necessary stage in the discovery of Australia by the Australians. In Heysen's country there is no wilderness; the Bush is a graceful frame for intimate and civilised landscapes. Heysen has painted a rural civilisation in an atmosphere of "study to be quiet." He uses all the methods of his craft, and has probably won his greatest successes in water-colour. Quite recently he left little farms and forests and travelled north to a vivid and primitive country of Arabian landscapes and Arabian names—Arkaba, Wilpena, Brachina, Edina. There he transcribed a new Australia of dry, flat light, hard skies, clamorous reds and ochres, Dolomite masses and sharp forms—"a landscape of fundamentals."

One feels that the Australian painters have been accumulating and cataloguing the materials of their country. A great deal of Australian art is in the local

colour stage. Among the painters of the Pacific coast who follow the Streeton tradition there is a fairly long list of popular names. Two water-colour artists, J. J. Hilder and Blamire Young, have won affectionate approval in Australia for work which is more individual. Hilder's shy and delicate temperament expressed itself in a subjective idealisation of Bush landscapes by means of decorative tones. Blamire Young has spoken of himself as "a sort of unacademic romantic." He graduated through poster painting, and composes patterns upon which he builds decorative schemes of colour tints. He has selected from Australian landscapes the values which inspire his romantic fantasies, and has rejected everything else. The Australian public has on the whole accepted him gracefully as "a constant and delightful anachronism."

A band of competent Victorian painters has for a considerable time been in revolt against the idealisers of Australian landscape. The artists of Melbourne derive some advantage (or should derive it) from the Felton Bequest, which enables the Melbourne Art Gallery to compete with wealthy picture buyers in the salerooms of Europe. The director of the Melbourne Gallery, Bernard Hall, has exercised for twenty years a sound, if rather conventional, influence upon students in the Melbourne schools. But a more extensive influence has been exercised by Max Meldrum, who has trained a generation of Melbourne painters to deny the artist's right to select, to make patterns, to "express his personality." Art, Meldrum has taught, is nothing more than the science of optical expressions. Manual dexterity is a snare; an honest eye is everything. Painting is "an impersonal translation of Nature up to the limits of the medium employed." Even Meldrum's critics admit that he knows

how to paint correct values. His admirers assert that his work is of decisive importance in the history of Australian painting. His pupils have preached and practised his austere gospel with enthusiasm. Since it is their aim to achieve "an impersonal translation of Nature," it would be inappropriate to mention any of them by name. They are, indeed, a competent band who have won considerable success in submerging their own individuality.

Literary men usually make themselves ridiculous when they attempt to evaluate the achievements of artists who employ a technique which is entirely different from their own. The purpose of this chapter is not to deliver verdicts but to describe, so far as a layman may, the growth of Australian art and its effect upon the growth of the Australian people. It is a new thing in Australia that painters should be able to live by their craft, and it is significant that the people have persistently demanded from their painters renderings of Australian landscape. There are in Australia only a few figure painters (Lambert, Longstaff, McInnes, are the chief) of any quality. The landscape artists have done a good deal to carry Australian patriotism beyond the modified racial self-consciousness implied in the phrase "Independent Australian Britons." By their discoveries of landscape they have stimulated a love of country and a patriotism of place. This is indisputable history. But it would be presumptuous in an historian to judge between theories and reputations and offer a pretence of art criticism. All that he dare attempt is an exposition of the more obvious tendencies and influences. The strongest influence in contemporary Australian art is that of George W. Lambert. He is anathema to the "pure science" school, for he has cultivated great technical dexterity and does not conceal his own emphatic personality.



Julian Ashton recounts how he met Lambert after paying two or three visits to a gallery where his recently painted self portrait was hanging :

"Your portrait is creating quite a sensation," I said.

"Yes, it's a good thing," he replied.

"Of course, it has your affectations, Lambert."

"I like my affectations, Julian Ashton."

"Well, I'm not going to quarrel with them so long as they are painted like that. . . ."

Lambert had left Australia in 1899, and when he returned twenty-two years later he brought back with him, not merely self-confidence and a reputation, but the knowledge which he had gained in a persistent experimental investigation of the history of European art. His return was shattering to the provincial complacency of local painters. It coincided with (and has helped to cause) what has been called "a new vision of Australian landscape." This new vision is certainly not very startling. A few Sydney painters, to the scandal of the ordinary picture-buying public, have made a complete break with naturalism; but, with the conservative majority, the "new vision" signifies little more than a new interest in design and composition and a belated reaction against imitative diffuseness. This tendency is apparent in the work of one of the most substantial of Australian landscape artists, Elioth Gruner. Twenty years ago Gruner had already carried the interpretation of Australian landscape a stage beyond the revelation of Streeton. Whereas Streeton had painted distances in the vertical light of noon, Gruner had painted Australian foregrounds in the romantic half-lights of morning and evening. He has now become dissatisfied with his own reputation, and has returned from a visit to Europe to express his old themes in "the curt speech of the present day."

Gruner's work is quiet ; he has painted in New South Wales what Heysen has painted at Hahndorf—not the wildness, but the settled civilisation of Australia.

That large section of the Australian urban community which enjoys moderate middle-class comfort is naturally attracted by the process of etching, which makes it possible to distribute original works on many drawing-room walls at a moderate price. Australian artists, both good and bad, have not neglected their opportunity. It has been asserted that the annual sales of the Australian Society of Painter-Etchers (founded in 1920) considerably exceed those of its London parent, the Royal Society of Painter-Etchers ! Some of the black-and-white artists of the *Bulletin* made early experiments in etching ; but serious devotion to the craft began about 1895 with John Shirlow. Among the competent workmen who have followed Shirlow are Lionel Lindsay, Norman Lindsay, Sydney Long, Sydney Ure Smith, and Van Raalte, who has done for the gum tree on copper something of what Heysen has done for it on canvas. Lionel Lindsay has a chivalrous outlook on life which has expressed itself, not only in his etchings, but in his water-colours and in generous appreciations of his fellow artists. He has also experimented in wood engraving, and in this medium, as in etching, his work is finished and beautiful. His brother, Norman Lindsay, rivals Melba as a national figure. He began his career as a black-and-white artist for the *Bulletin*, and developed his technique with the pen to its furthest possible limits in creating figure compositions which seem to blaze with light. It is doubtful whether he has ever surpassed these pen drawings of his middle period. His interest in light led him through etching to water-colour. The critics acknowledge the daring and power of his com-

positions, but blame him for carelessness and downright bad drawing. Norman Lindsay despises the critics and claims his right as a creative genius to be a law unto himself. Unfortunately, he is not merely a law, but a gospel. He has proclaimed the gospel so often and has interwoven it so inseparably with his art that he has given to the layman unusual liberties of criticism. One can argue with a Presbyterian minister out of church. Norman Lindsay's religion is a sort of topsy-turvy Puritanism. It is as if a seventeenth-century Antinomian from Massachusetts had won miraculous access to the works of Nietzsche and Freud. Norman Lindsay has created in Australia a small sect which allows itself to grow excited about its dislike of the clergy and to grow lyrical about "satyrs and sunlight." He has clouded his clear vision of beauty with propaganda. And yet the vision is there, and with it an intense conviction that Australia cannot live by bread alone. Posterity may remember him as a genius who to Australia gave up what was meant for mankind. Yet this criticism misses the mark, for it has been Norman Lindsay's ambition to use his powers in giving Australia to mankind. Like another Australian artist, Will Dyson, he holds "the creed of every artist and writer that nothing exists until it has been drawn or written down." He believes, with Bernard O'Dowd, that it is the function of art to "turn a mob into a people." For without the definition of style, of art, there can be no nation; there can be only an aggregate of units—the raw material of a nation. So much of Australia is still raw material. But already the image of an Australian nation is emerging, as if from a sculptor's unfinished marble.

One hundred years ago Australia was still a gaol. Some of her greatest cities are less than a century old.

The poets have seen truly that Australia's life is in the future. It may extend through European centuries ; it may be short. Australia lies opposite an awakening Asia. She shares a civilisation whose destiny is beyond prediction.

## A SHORT LIST OF DATES IN AUSTRALIA'S HISTORY

- 1788. Sydney founded.
- 1797. John Macarthur imports merino sheep.
- 1804. Hobart founded.
- 1813. The Blue Mountains crossed.  
The "Eastern Interior" lies open.
- 1814. Flinders suggests the name "Australia."
- 1822. Macarthur's wool judged equal to the best Saxon.
- 1823. First limitations upon the autocratic powers of  
Governors.
- 1824. First settlement in what is now Queensland.
- 1829. Wakefield publishes his *Letter from Sydney*.  
Great Britain claims the whole of Australia.  
Foundation of Western Australia.
- 1830. Sturt journeys down Murrumbidgee to Murray mouth,  
and back again.
- 1835. John Batman at Melbourne.
- 1836. Foundation of South Australia.
- 1840. Discontinuance of transportation to mainland of  
Australia.
- 1842. Majority of elected members in Legislative Council of  
New South Wales.
- 1849. Final end of all forms of convictism in all parts of  
Australia except Western Australia.
- 1850. Erection of Victoria as a separate colony.  
Australian colonies given power to alter their own  
Constitutions.  
Foundation of first Australian university at Sydney.
- 1851. The discoveries of Edward Hargreaves and the begin-  
ning of the gold-rushes.
- 1854. "Our own little rebellion."  
The first Australian railway.

- 1855-57. Responsible Government in four colonies.
- 1855. First anti-Chinese legislation.
- 1856. Ballot system in Victoria and South Australia.
- 1859. Queensland a separate colony.
- 1860. McDouall Stuart in Central Australia.
- 1861. Burke and Wills cross Australia from south to north.
- 1861. Robertson Land Act in New South Wales opens the battle of democracy *versus* squatters.
- 1865-66. First Protectionist tariff established in Victoria amidst political and constitutional conflict.
- 1867. Transportation abolished in Western Australia.
- 1870. British troops withdrawn from Australia.
- 1872. The overland telegraph opened.
- 1879. First intercolonial conference of trade unions.
- 1880. The *Bulletin* founded.
- 1883. McIlwraith annexes New Guinea and is repudiated.
- 1884. German annexations in New Guinea.  
Great Britain annexes Papua.
- 1885. A Federal Council: the first step to Federation.
- 1890. The maritime strike.
- 1891. A strong Labour party in the New South Wales Parliament.  
First Australasian Federal Convention.
- 1893. Federation becomes a popular movement.  
Collapse of the land boom.
- 1897-98. The Federal Convention.
- 1900. The Commonwealth established.
- 1901. Immigration Restriction Act.  
A compromise tariff.
- 1905. Commonwealth Court of Conciliation and Arbitration established.
- 1908. The compromise tariff gives place to a Protectionist tariff.  
First Labour Government in the Commonwealth.  
Canberra chosen as site for the Federal capital.
- 1909. Compulsory military service established.
- 1911. First referendum for extended Commonwealth powers over industry.
- 1914. "The last man and the last shilling."

- 1915. Anzac.
- 1916. Split in the Labour party and first conscription referendum.
- 1919. Australia signatory of Peace of Versailles and an original member of the League of Nations.  
The Ross-Smith flight.
- 1923. Beginning of the Bruce-Page Government.
- 1926. The Balfour Report.
- 1927. Opening of Parliament House at Canberra.
- 1929. Fall of the Bruce-Page Ministry—Labour in Power.

NOTE.—The above is to a large extent a selection from the excellent chronology in Ernest Scott's *Short History of Australia*.

## NOTES ON BOOKS

*The aim of this note is not to make a list, even of the more important sources (books, pamphlets, articles, parliamentary papers, etc.) that have been used in this book, but to mention some of the more general works which are likely to interest the reader. He can easily extend his knowledge of special topics, if he wishes to, by following up references. It will be convenient to group this list according to the four parts of the book.*

### PART I

Ernest Scott's *Short History of Australia* (Oxford University Press) or Arthur Jose's *Short History of Australasia* (Angus and Robertson) makes a good introduction. *The Cambridge History of the British Empire* will soon publish its volume on Australasia. In Australia economic history is of fundamental importance. The reader must wait for Professor Shann's *Growth of the Australian Economy* (Cambridge), mentioned in the Preface. No less important is geography, and in this field the work of Professor Griffith Taylor is indispensable. *Australia, Physiographic and Economic* (Oxford University Press) is the best book to begin with. There is a good *History of Australian Land Settlement*, by S. H. Roberts (Macmillan). There is no complete history of immigration to Australia. *The Systematic Colonisation of Australia*, by R. C. Mills (Sidgwick and Jackson) covers the Wakefield period. Myra Willard's *History of Free Immigration into New South Wales*, of which much use was made in Chapter II, is unpublished, but the same authoress has published a reliable *History of the White Australia Policy* (Melbourne University Press). A reader wishing to get some idea of Australia's democracy and nationalism might perhaps begin with Walter Murdoch's *Life of Alfred Deakin* (Constable); Albert Metin's *Le*



*Socialisme sans Doctrines* (Paris, 1901); *A new Province for Law and Order*, by Mr. Justice Higgins; and V. S. Clarke's *The Labour Movement in Australia* (London, 1906). Finally, it is necessary to mention the two-volume *Australian Encyclopedia* (Angus and Robertson), which will introduce the reader to a host of fascinating topics and suggest how he may follow them up.

## PART II

Economic studies have made a notable advance in Australia in recent years, especially since the foundation of the Economic Society of Australia and New Zealand, which publishes *The Economic Record*, a half-yearly journal, which is indispensable to students of Australian affairs. The present writer has made considerable use of articles by R. C. Mills, Carter Gooderich, C. H. Wickens, F. Bland, and other contributors to *The Economic Record*. The Melbourne University Press has recently published two volumes for the Institute of Pacific Relations—*The Peopling of Australia* and *Studies in Australian Affairs*. There are good essays in both volumes; the latter has two particularly good essays, one by D. T. Sawkins on *The Australian Standard of Living*, the other by R. C. Mills on *Australian Loan Policy*. R. C. Mills and H. Benham will shortly publish a study of *Banking in Australia*. A short book by M. H. Davidson, *Central Banking* (Angus and Robertson), deals excellently with this subject. *The Prosperity of Australia* (P. S. King, 1927) is an interesting study written by Mr. Benham before the slump. *The Australian Tariff: An Economic Inquiry*, by five expert authors (statisticians, professors, and a business man), was published by the Melbourne University Press in 1929. *The Fixation of Wages in Australia*, by G. Anderson, is an indispensable compilation. When F. W. Eggleston has published his *State Socialism in Australia* the whole field of Australian political economy will have been worked over—extensively, if not intensively.

## PART III

Australian politics have been written about with less care and precision than Australian economics. Only the Labour party has received adequate attention. The best studies on it are by G. V. Portus. They are to be found in *Australia: Economic and Political*, edited by Meredith Atkinson (Macmillan), and in Colwell's *Story of Australia*, vol. v. There is also an excellent article by Professor Gooderich in *The Economic Record*. Sutcliffe has written *The History of Trade Unionism in Australia* (Macmillan). Those who wish for a sort of current history of Australian (and other) politics should read *The Round Table*. There is no general history of Australia's foreign relations, but *The Pacific: Its Past and Future*, by G. H. Scholefield (Murray), puts together a good deal of interesting information. J. G. Latham's *Australia and the British Commonwealth* (Macmillan, 1929) deals with the subject chiefly from the legal point of view. Half a dozen books are published on Dominion Status every year. The most satisfactory of them is *The Present Juridical Status of the Dominions in International Law* (Longmans), by Professor Noel Baker. Professor Arnold Toynbee's *The Conduct of British Empire Policy since the War* (Royal Institute of International Affairs) deals with the subject in the concrete. *The Australian Mandate for New Guinea*, edited by F. W. Eggleston, is published by the Melbourne University Press for the Institute of Pacific Relations and the League of Nations Union.

## PART IV

H. W. Green has written a short essay on the history of Australian literature and is planning a book on the subject. Nettie Palmer has written a short history (Lothian Publishing Co.) starting in 1900. The best anthology of Australian verse is by Percival Serle (Robertson and Mullen), who has also compiled a *Bibliography of Australian Poetry* (Robertson and Mullen). There are two anthologies of Australian

Short Stories, one by Nettie Palmer (Angus and Robertson), the other by G. Mackaness (Dent). To get an idea of painting, the reader should consult *Art in Australia*, especially *Australian Landscape Painters of To-day* (1930). But there is no real substitute for seeing pictures and reading books.



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